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Despatch from Sir Rutherford Alcock respecting a Supplementary Convention to the Treaty of Tien-tsin, signed by him on the 23rd October, 1869.

Sir R. Alcock to the Earl of Clarendon.—(*Received December* 27.)

My Lord, *Peking, October* 28, 1869.

A SUPPLEMENTARY Convention to the Treaty of Tien-tsin was signed in quadruplicate on the 23rd instant by His Imperial Highness the Prince of Kung and the Ministers of the Yamên, as the Plenipotentiaries of His Imperial Majesty the Emperor of China, and by me on the part of Her Majesty.

One of the four copies I have now the honour to inclose for ratification, should it be approved by Her Majesty's Government, as I trust, I believe it will be found to secure advantages far in advance of the objects contemplated in the XXVIIth Article of the Treaty. A revision of the Tariff and commercial articles is all that is there provided for; but the present Convention goes much beyond this, opening new ports, establishing bonded warehouses, giving the right of navigating the inland waters in foreign-owned vessels, of renting places for storage, and temporary residence in the interior; these are all innovations of great prospective importance.

The Convention will also be found to have effected all that was contemplated as desirable by the Board of Trade in their Report of the 19th of May last, and otherwise to be in general conformity with the instructions conveyed in your Lordship's despatches dated respectively the 21st of May and the 4th of June.

I shall best economize your Lordship's time, I believe, in reference to details and the bearing of the different articles by inclosing a copy, with the marginal notes attached to each Article, which Mr. Hart supplied at my request. This, taken with the inclosed copy of my explanatory despatch to M. de Rehfues, as the Doyen of the Corps Diplomatique, leaves me but little to add by way of explanation.

I look upon the arrangements entered into for the collection of transit dues and the total exemption of all foreign textile fabrics in the nine provinces in which are Treaty ports, as the most important advantage gained by the Convention, and if ratified, and carried into operation, I have very little doubt that the end proposed, a total exemption from such charges or exactions, will be fairly secured.

Of course this, and other stipulations, involves of necessity the concurrence of the other Treaty Powers, not only because a compulsory payment of the half-import duty at the time and place of importation has been substituted for the existing rule, which left it optional, but also from the fact that the Convention stipulates, in return for this, the reduction of duties on articles of foreign trade, and other considerable advantages. An increase in the duty on opium and on silk; the former to the amount of $2\frac{1}{2}$ per cent. *ad valorem*, and the latter a fraction over 1 per cent. One part of the Convention cannot be taken, and the other rejected It must be accepted or rejected by all the Treaty Powers, as a whole; and it is easy to see that there may be considerable difficulty in obtaining such a consensus of opinion as will be required to that end. France has always refused to be bound by any conditions attaching to concessions made to other Powers, while claiming,

under the "most-favoured-nation" clause and two special Articles, the full enjoyment of any advantages so gained. This is expressly stipulated in the IXth Article of the French Treaty, signed at Tien-tsin; and by the XLth Article it is still farther provided for, in the following words:—

"Il est d'ailleurs entendu que toute obligation non consignée expressément dans la présente Convention ne saura être imposé aux Consuls ou aux Agents Consulaires non plus qu'à leurs nationaux, tandis que, comme il a été stipulé, les Français jouiront de tous les droits, privilèges, immunités, et garanties quelconques qui auraient été ou qui seraient accordés par le Gouvernement Chinois à d'autres Puissances."

Were China strong enough to assert her international rights in defiance of any foreign Power, her Government could, of course, refuse to allow a right conceded to one country, under certain conditions, to be enjoyed by another irrespectively of these. They would be perfectly entitled to say, "We have engaged to give you the treatment of the most-favoured-nation, and are ready, in letter and spirit, to fulfil our engagement; but that does not warrant your claiming advantages without conditions which have only been conceded to another on their acceptance."

But China is scarcely in a position to assert her rights, in this or any other direction, when contested by foreign Powers. And, on the other hand, France and Prussia, and the Treaty Powers in general, may with some reason maintain, "We have Treaties with China, by which we are entitled to import and export certain goods according to a tariff mutually agreed upon; consequently no understanding between China and another Power can affect our rights in this respect without our consent." This, no doubt, is true; and, as it is impossible to consent that goods imported or exported under the British flag should pay a higher duty, or be bound by any restrictions or conditions not equally applicable to all nations, it naturally follows that every Treaty Power has a veto on the revision which any one may find it advantageous to make. For, assuming that it could be plainly demonstrated on the whole to be greatly to the advantage of all Treaty Powers that certain arrangements entered into by any one Power with China should come into operation, it still would rest with each Government to act upon their own opinion on such a subject, and refuse if they saw fit. This creates a very serious difficulty in the way of any revision with single powers.

In anticipation of this difficulty, an official note, herewith inclosed, was exchanged at the signature of the Convention between the Prince of Kung and myself, distinctly recognizing the necessity of deferring the giving effect to the instrument, even after the exchange of ratifications (except by mutual consent of the High Contracting Parties) until a common understanding had been arrived at with the other Treaty Powers, and their acceptance of the Articles of the Convention, as binding upon their respective subjects, had been obtained. To this end it was farther agreed that both should invite the several Treaty Powers to give their adherence to the Convention as a whole, and applicable alike to all. The inclosed copy of the reply of M. de Rehfues to my communication on the subject merely acknowledges receipt, pending the transmission of the text of the Convention by the Tsungli Yamên.

I do not know that any explanation of each particular Article, and the objects to be attained by them is needed beyond what the inclosed documents will supply. But in a matter of so much importance it may be better, at this distance too, that any error should be on the side of excess than deficiency; and I therefore will submit a few remarks in elucidation of the chief objects which I believe to have been secured by the signature of the Convention.

It will be seen that I succeeded in part, by the omission of any stipulation as to time, in carrying out my instructions to avoid a revision for another decade. It was impossible, however, to obtain any of the concessions negotiated for last year without making it a formal revision in the sense contemplated in Article XXVII of the Treaty of Tientsin, with the understanding that no farther demand should be made upon them on the ground of no revision having been effected. Even this was only agreed to, I believe, in consequence of my intimation that the Audience and Coolie emigration questions must be fully gone into if any definite period were fixed during which any revision to be effected now should run. As a mutual compromise, the Yamên then agreed to leave out all specification of a fixed period, and I consented, on my part, to withdraw the two questions from the list of those included for immediate settlement, and to discuss them separately.

This, however, was only the first step towards a satisfactory termination. More than once in the last six weeks the negotiations were interrupted, and to all appearance broken off altogether, in consequence of the obstructiveness which the Chinese Members of the Mixed Commission displayed, and their opposition to any satisfactory measures for the relief of our trade from leking, and other charges, far in excess of the transit due of 2½ per cent., and fatal to all progress.

It became apparent, at last, that the only chance of arriving at any better result must lie in more direct negotiations with the Yamên; and Mr. Hart having offered himself as a medium of semi-official communication between myself and his Excellency Wên-hsiang and the rest of the Yamên, I availed myself of his services. I believe it was mainly through his active intervention that they were at last led to see the expediency, if not the advantage, of ceding many points previously insisted upon, and offering me terms I felt justified in accepting.

I have expressed myself so strongly, on many former occasions, as to the paramount importance, in any revision, of relieving our trade from the burden laid upon it by a wholly irresponsible power of taxation exercised by the local and provincial authorities, that I need not farther insist upon it here. I have only to add my conviction that the proposed arrangements hold out fair promise of the removal of long-standing abuses in this direction, and I see in them a practical solution of the difficulties caused by the exactions of the local authorities to the serious prejudice of trade.

The great objects specified under this head by the Board of Trade, I believe, will be fully secured by the measures contemplated; and the transit-pass system, liable to such grievous abuse by foreign merchants, has, at the same time, been almost entirely superseded—entirely so for the bulk of the imports in the nine Provinces, and in native produce for export, in all—under conditions which, by dispensing with all distinction between native and foreign trade, leave to the provincial authorities the rights they are accustomed to exercise of inland taxation, and an interest in the increase of foreign trade, while it secures the foreign merchant from all surcharge over the Tariff rate for transit of 2½ per cent. more effectually than any system of protection by transit passes could do in such a country as China. This part of the scheme thus meets the suggestion of the Shanghae Chamber of Commerce, so far as leaving the proceeds of taxation in the hands of the Provincial authorities, while it gives them better protection against surcharges, and puts an end to the foreign traffic in transit dues, which was a public scandal.

The opening of two new ports in populous districts, and centres of distribution as well as consumption, in exchange for a port in Hainan, which has never been deemed worth opening, cannot fail to be a gain to commerce. Wuhu, on the Yang-tsze, has much to recommend it on its own account, but, independent of this, it was necessary to obtain it in order to bring the central Province of Anhui within the arrangement for free goods stipulated in the first Article of the Convention.

It is within such easy reach of Chinkiang that the Consular establishment there can, if necessary, provide for its wants, by detaching, temporarily or permanently, a senior assistant, if the development of trade should necessitate any surveillance on the spot. Wên-chow will, no doubt, require a small Consular establishment as soon as it is declared open; and there seems an entire concurrence of opinion as to its value in a commercial point of view. Tchang, in the Upper Yang-tsze, would have been very desirable as a Treaty port, but I found it quite impossible to get the Yamên to accede to any proposal for extension farther inland.

There was a great stand made by the Chinese for a limitation of one year for drawbacks, but they finally consented to three years—amply sufficient, I believe, for all mercantile purposes, with payment in cash for any current quarter. In both directions this will prove very advantageous to merchants, for a limitation of one year had been *de facto* established at Shanghae, the chief port where drawbacks are in request.

I made a final effort to obtain the admission of foreign salt, as will be seen by the inclosed correspondence. I believe the objections might not have proved so insurmountable had the Yamên felt they had to deal with Great Britain only; but to grant to England a right to import one shipload every month was to concede the same right to every other Treaty Power, and twelve times twelve ships every year would not have left much monopoly in the hands of the Salt Commissioners.

The working of coal-mines at three points in the vicinity of ports, and two or

these on the mainland, by foreign machinery, together with the abolition of all duty on foreign coal, as well as a reduction of duty on the native produce, will have very beneficial effects, and were desirable in themselves.

The conditional and qualified right of temporary residence, and inland navigation in foreign-owned vessels, if judiciously and quietly worked, will, I am satisfied, give foreign merchants all they can reasonably desire, and quite as much as they are in a position to turn to any good account for the present. It is too much to expect, however, that they will think so.

The introduction of a steam-tug for their use on the Poyang Lake may not be very valuable as a means of towing cargo-boats of tea, but as the first step towards familiarizing the Chinese authorities and people with steam-vessels in the inland waters, I think the concession far from unimportant.

The adoption of a written code of commercial law, in like manner, is more important for what it may lead to, than for any immediate results. From a commercial to a civil and criminal code, founded on European principles, and an international court for its administration in all mixed cases between foreigners and natives, there are but two steps; and these once gained, extra territoriality may be dispensed with, and the greatest impediment to inland residence and unwillingness on the part of the Chinese officials to see the foreigner located in the provinces will disappear.

For these various advances in the path of progress and other concessions we have had to give something in return. A small increase in the duty of the two products, one Indian and the other Chinese, which, from their great value, can best bear it, has been the price paid. It is very certain, however distasteful to the merchants any increase may be, that not a pound less of either opium or silk will be in demand, even if it increase the price by that amount. And the 2½ per cent. in the one case, and 1 per cent. in the other, cannot, in any perceptible degree, diminish the profits of those who deal in them. Moreover, it was a case in which the British Representative could not, as the Lords of the Committee of Privy Council for Trade remark in regard to another article, tea, refuse a revision on any ground of reason or equity. On opium it is a matter of great indifference what import duty is levied while the Chinese Government has the acknowledged right to lay on any tax they please the moment it leaves the foreign importers' hands. Indeed, in the interest of India and our Indian revenue, anything calculated to give the Chinese Government an interest in the importation of the foreign article is by so much an advantage to the trade, as supplying a motive for checking the growth of the native produce, which has recently extended so greatly as to threaten the whole Indian trade, as I more particularly explained in my despatch No. 122 of the 13th instant, inclosing a reply to the Indian Government on the subject.

As to silk, the argument on the Chinese side was irresistible. It was an article of so much value and in such great demand that it could well bear a heavy duty. The present duty was actually below the scale of 5 per cent. adopted as the average for all exports and imports, and for both these reasons they were well entitled to demand an increased rate to bring it up to that average. Considering that they desired to double the duty on tea, silk, and opium, and had a direct interest in doing so, I think they showed great moderation in being finally contented with so little. Indeed, the total prohibition of opium, the restriction of missionaries from inland residence, and the abolition of all extra-territoriality being the three cardinal points and chief objects of desire with the Chinese Government and all the official hierarchy, it must be matter of congratulation that they have not insisted upon any one of these as a condition of revision; that is, a revision in the sense which we alone contemplated or desired.

Besides the small increase in duty on these two articles, nothing has been conceded on our part but the plainest of all international rights, if there is to be any principal of reciprocity recognized in our relations with China, viz., the right to appoint Consuls in the British dominions. I have not for a moment forgotten the expressed wish of the Board of Trade that there should be no increase in the scale of duties, and the last instruction conveyed in your Lordship's despatch No. 141 of the 4th of August, indicating a doubt as to the expediency of allowing a Chinese Consul to be appointed at Hong Kong; but this last could hardly be refused with any show of reason or justice; and as to the inconveniences to be anticipated—even supposing this Government should be prompt to avail themselves of the privilege, which is doubtful—I believe these will be found on experience, to be more or less chimerical. Hong Kong is confessedly a great smuggling depôt; and the Chinese revenue, it is

calculated, lose more than a quarter of a million annually in Customs revenue from its proximity to the mainland. It is natural, therefore, that they should desire to put a stop to it; and, as your Lordship's despatch of the 20th of August last, with its inclosures, plainly shows, they are prepared to take as determined measures to check it as the Chinese smugglers are taking to carry it on by force. These things being so, it is much better, I conceive, that we should aid them, by legal and peaceable means, to control the smuggling proclivities of their own subjects sailing and trading from our Colony where there is a free port, than compel them to plant taxing stations, farmed out to unscrupulous guilds or Companies, and arm European-built ships of war to run "amuck" on all native vessels leaving the harbour of Hong Kong. Indeed, this course is so clearly laid down in the above-cited despatch of your Lordship that I may congratulate myself on having, as I trust, fully anticipated the wishes of Her Majesty's Government by providing, in the Convention for more satisfactory arrangements than those hitherto existing between the Chinese and the British Colonial authorities.

If the Consul appointed by the Chinese Government should, by controlling the smuggling propensities of his own countrymen in league with the foreign merchant, inflict any injury on Hong Kong by greatly diminishing illicit traffic, the concession contained in the Vth Article of the present Convention, giving to Hong Kong the much-desired privileges of a Chinese port in matters of transhipment, will go far to counterbalance any damage from effective action on the part of the Chinese authorities against smuggling. The legitimate trade can only gain by the measures proposed, and the suppression of that which is illicit will go far to put an end to the hostile feeling, of the existence of which, as your Lordship justly remarks, there can be no doubt.

Finally, these three concessions constituted the price demanded; for all the Chinese were willing, or could be induced to grant in the interest of foreign trade. Have we paid too dear? I think the advantages we have gained so far preponderate over the little that has been yielded, as to leave no doubt on the subject.

I cannot close this review of the long protracted negotiations and their result in the Convention, without bringing to the notice of Her Majesty's Government the valuable assistance I have received from Mr. Frater, Second Secretary attached to this Legation, and Mr. Adkins, the Acting Chinese Secretary. The latter has officiated as interpreter throughout, both in the Commission and at the Yamên. Much of the labour of the whole has devolved upon these two gentlemen, and I cannot speak too highly of their unwearied zeal and assiduity.

I have, &c.

(Signed) RUTHERFORD ALCOCK.

Inclosure 1.

Supplementary Convention to the Treaty of Commerce and Navigation of June 26, 1858, between Great Britain and China.

HER Majesty the Queen of the United Kingdom of Great Britain and Ireland, and His Majesty the Emperor of China, desiring to secure the better execution of the Treaty of Commerce concluded between them on the 26th of June, 1858, have resolved, in accordance with the provision made in the XXVIIth Article to the effect "that either of the High Contracting Parties may demand a further revision of the Tariff and of the Commercial Articles of that Treaty at the end of ten years," to negotiate a complementary arrangement, and they have for that purpose named as their Plenipotentiaries, that is to say:—

Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, Sir Rutherford Alcock, Knight Commander of the Most Honourable Order of the Bath, Her said Majesty's Envoy Extraordinary and Minister Plenipotentiary to His Majesty the Emperor of China;

And His Majesty the Emperor of China, His Imperial Highness (Ho-shuo) Prince of Kung; Wên Hsiang, President of the Board of Civil Office; Pao Chün, President of the Board of Revenue; Tung Hsün, President of the Board of Revenue; Tan Ting Hsiang, President of the Board of Punishment; and Chung Lün, President of the Colonial Office;

Who, after having communicated to each other their respective full powers, found in good and due form, have agreed upon the following Articles :—*

ARTICLE I.†

China having agreed that British subjects shall participate in all advantages accorded by Treaty to the subjects of other Powers, it is further agreed that British subjects desiring to participate in the advantages accorded by Treaty to the subjects of other Powers shall participate in such advantages on the same conditions on which they have been accorded to, and are participated in by, the subjects of such other Powers.

ARTICLE II.‡

China having agreed that England may appoint Consuls to reside at every port open to trade, it is further agreed that China may appoint Consuls to reside at all ports in the British dominions.

The Consuls so appointed shall respectively be entitled to the treatment accorded to the most favoured nation.

ARTICLE III.

It is agreed that commodities of the following classes and denominations, viz., cottons, linens, woollens, woollen and cotton mixtures, &c., &c., imported by British merchants shall pay both import duty and transit due simultaneously at the time of importation.

On the other part, China agrees that the above-mentioned commodities, imported by British merchants and having paid import duty and transit due simultaneously at the time of importation, shall be exempt from all other taxes and charges whatsoever, in Treaty port provinces.§

ARTICLE IV.

It is agreed that native produce purchased in the interior by British merchants, furnished with the documents prescribed by the Supplementary Regulations, shall pay all inland dues and charges on its way to the Treaty port.

On the other part, China agrees that any such native produce having paid all inland dues and charges on the way to the port from the place of purchase, shall be entitled to the return of any amount that may have been thus paid over and above the Treaty transit due (half export duty), provided exportation by British merchants to a foreign port takes place within twelve months.

It is further agreed that native produce shipped to another Treaty port shall not be entitled to such refund.‖

* In this preamble only a part of the XXVIIth Article is quoted; what is omitted would have a bearing in the time for the next revision, and it is omitted in order that that question may receive its own solution in time, and not, by becoming a vexed question now, interfere indefinitely with the work of the present revision.

† This Article is placed first because it contains the principle on which all voluntary revision, so far as China is concerned, hinges. England, to have the benefit of advantages accorded to any other State, agrees to be bound by the conditions consented to by the State concerned to obtain the advantages in question. With this form of the "most-favoured-nation" clause, it is hoped that other Treaty powers will be induced to accept what China gives, on the Chinese terms assented to by England.

‡ The only explanation this Article needs is, that while foreign Consuls are called "Ling-shih-kuan" in China, Chinese Consuls in England, although styled Consuls by the English, will be known to Chinese officials by another Chinese title (not yet fixed on), than of "Ling-shih-kuan." That they are simply to be Consuls is evident from the concluding words of the Article.

§ This is a most important concession, for it permits manufactures (the goods in whose sale England is chiefly interested) to circulate freely without certificate, and without further charge or tax on payment of 7½ per cent., through the Treaty port Provinces. It is a concession far in advance of the Tien-tsin transit clause as regards one-half of China, and as regards the other half, the former transit privilege is continued in force. The "supplementary regulations" will show the action to be taken.

‖ The advantages of this new arrangement are obvious. On the one hand, the British merchant will have refunded to him in cash whatever taxes he may have paid over and above half tariff rate (2½ per cent.) in bringing from the interior Chinese produce for shipment to a foreign market; and, on the other hand, the Chinese Government will be able to stop the malpractices of those Chinese who employ foreigners to bring produce from the interior (not intended for the foreign market), and who by thus cheating the Government out of its just dues on native trade, have indisposed it to give, in the past, a warm support to the foreign transit clauses. This is unquestionably an improvement on the Tien-tsin transit rule.

ARTICLE V.

It is agreed that Chinese produce shipped from Hong Kong to a Treaty port shall not be carried inland under the transit rule, but shall pay dues, duties and inland charges like all other native produce at all barriers passed.

On the other part, China agrees to issue to native produce shipped by British merchants from Treaty ports to Hong Kong the ordinary export duty proofs, and to collect on such produce, on arrival at a second Treaty port, the ordinary coast-trade (half import) duty.*

ARTICLE VI.

It is agreed that the port of Wên-chow in Chê-kiang shall be opened to British trade, and that Kiung-chow named in the Treaty of Tien-tsin shall be removed from the list of Treaty ports.†

ARTICLE VII.

It is agreed that British merchant-vessels shall not be called on to pay tonnage dues oftener than once in the four months.

On the other part, England agrees that British merchant-vessels of every description, whether used for the transport or storage of merchandise, conveyance of passengers, or residence (merchant-ships, hulks, chops, &c.), as well as all craft of the Chinese type, owned by British subjects, shall pay tonnage dues according to their tonnage, if trading from port to port, on the expiration of their special certificates, and if used as hulks in port on the expiration of the term of four months, as the case may be.‡

ARTICLE VIII.

It is agreed that all British merchant-vessels shall report to the Customs their port of destination, and shall hand in export manifests when about to clear.

On the other part, China agrees that the amount of any fine for false manifests where British subjects are concerned shall be determined in accordance with the special circumstances, and shall not in any case exceed the sum of 500 taels.§

ARTICLE IX.

It is agreed that in all cases of fines arising out of breaches of Customs Regulations, the Superintendent, or the Commissioner of Customs, may have a seat on the bench, and take part with the British Consul in inquiring into the case.

And that in all cases of confiscation arising out of breaches of Customs Regulations, the British Consul may have a seat on the bench with the Superintendent or the Commissioner of Customs, and take part in inquiring into the case.

* Firstly, this gives the Hong Kong merchants what they ask for, and secondly it arranges what Chinese officials have long felt to be a grievance. Till now Chinese produce (say sugar) shipped from Canton to Shanghae, has, *viâ* Chin-kiang, gone into the interior as native produce while at the same time, and possibly conveyed by the same person the very same kind of native produce, shipped *viâ* Hong Kong, and therefore held to have changed its origin has entered the interior as a foreign commodity and under the transit system: the former paying all inland taxes *en route*, and the latter freed from them by one transit payment; offices lost revenue, and constant quarrelling has taken place as to the nature of such goods at the barriers under the new rules, Chinese produce will be treated *as* Chinese produce—for the sake of native officials when entering the interior having come from Hong Kong, and for the sake of foreign merchants when going to a Treaty port, but transhipped at Hong Kong (*i.e.*, paying a full duty on shipment, and a half duty on discharge, instead of two full duties as going to and then coming from a foreign country).

† This is a wise exchange. Kiung-chow has been nominally a Treaty port for ten years, and still shows no signs of inviting trade; it will therefore be no loss to remove it from the list. On the other hand Wên-chow will afford a ready exit for a sort of tea that reaches Foo-chow after a long, difficult, and expensive transit, and as it is the port of a comparatively populous and wealthy country, it will take many foreign commodities. Further, to open it will be almost as good as to subsidize a steam line between Foo-chow and Shanghae, both of which places desire rapid and regular communication. Wên-chow will be a decided gain, and will become another important centre whence trade will radiate.

‡ This, too, is a decided gain. Vessels now go to the Amoor, Japan, Hong Kong, Manila, and Saigon, only paying tonnage dues once in the four months. The new rule which, without specifying places, simply mentions time—"once in four months"—will enable vessels trading to Batavia, Bangkok, Singapore, Malacca, and Penang, to take advantage of the same privilege as regards payment of tonnage dues. The rule as it affects hulks will only very properly enact that they are to pay every four months for the space they occupy in the harbour, and bear their share in supporting harbour police, &c.

§ The Treaties have not provided for export manifests or report of destination. In return for the assent to provide for these wants, China consents—instead of fining 500 taels for every false manifest—to fine offenders in sums not exceeding 500 taels, and which are to be determined in each case by the circumstances accompanying the offence.

It is further agreed that England and China shall in consultation draw up a Commercial Code.*

ARTICLE X.

On the one part China agrees to issue licences to pilots.

On the other part England agrees to punish British subjects piloting, or who employ persons to pilot, not having licences.

It is further agreed that effect shall be given to the stipulation of the Treaty of Tien-tsin that, "for the due restraint of crews of ships, regulations will be drawn up by the Consuls and the local authorities."†

ARTICLE XI.

It is agreed that drawbacks issued to foreign goods, re-exported by British merchants to foreign countries within three months from the date of importation, shall be convertible (at the Haikuan bank) into cash.

On the other part England agrees that foreign goods, re-exported by British merchants to foreign countries after the expiration of three years from the date of importation, shall not be entitled to drawback of import duty.‡

ARTICLE XII.

It is agreed that opium shall pay import duty at an increased rate.

On the other part China agrees:—

1. That British subjects holding passports may use their own vessels, resembling Chinese craft, and propelled by oars or sails, when visiting non-Treaty ports or places in the interior.

2. That bonded warehouses shall be established for British subjects at such Treaty ports as may be expedient.

3. That the Superintendent of Customs at *Kiukiang shall provide a tug* for the use of British-owned Chinese-*like boats* on the Poyang, and in the *vicinity* of Hukow.

4. That bonds entered into by British merchants for the re-export of teas shipped from Yang-tsze ports shall as an experiment be done away with.

5. That the Imperial Commissioner in the South shall open coal mines at two or three places; and

6. That the duty on native coal, exported by British merchants from the southern ports, shall be reduced.§

ARTICLE XIII.

It is agreed that silk shall pay export duty at an increased rate.

On the other part China agrees:—

1. That Wu-hu in Anhui shall be opened to British trade.

2. That foreign grain may be re-exported and without payment of duty by B itish merchants.

3. That materials used by British subjects in docks for the repairs of British vessels shall be exempt from duty.

4. That the list of duty free goods for British household use and ships' stores shall be revised.

* The object of this is simply to give a Treaty Clause authority to the principle of joint-investigation in Customs cases. The concluding sentence is a stipulation of great value. A Commercial Code accepted by both China and England will be very useful in itself, and it may perhaps pave the way for reforms in the judicial procedure in China generally speaking. This promise must be considered as not a little gained.

† The object of this is to give a Treaty Clause authority to licensing pilots, and punishing those who pilot without licenses. It is to serve as a base and support for an efficient pilotage service.

‡ This Article stipulates for what will be beneficial to both parties. On the one hand, the British merchant will receive back in cash duties paid on goods re-exported within three months, and on the other the Chinese Government will have a limit fixed beyond which it will not be held liable for refunds of duty carried to account.

§ As regards increased duty on opium, the increase will only amount to 2½ per cent., and opium can well bear it. The consumption will not be decreased a single ounce, and the tax will fall on the Chinese consumer In exchange China will give bonded warehouses which some merchants have called for so loudly; will commence to work two or three coal mines, reducing the duty on native coal; will do away with troublesome tea-bonds; will put a tug in the Poyang Lake, and will permit British merchants to go in their own boats wherever their business calls them. Here are three concessions of a value which will be demonstrated before the next revision takes place; more especially the last, which will work powerfully in opening China, to say nothing of the effect like follow the proper working of a mine.

5. That foreign coal and guano imported by British merchants shall be exempt om duty; and

6. That import duties shall be reduced on watches, pepper, black and white n plates, and timber, imported by British subjects.*

ARTICLE XIV.

It is agreed that each Custom-house shall draw up rules fixing the touch o ycee to be received in the payment of duties by the bank at each port.

It is further agreed that the various documents issued to British subject ransit papers, passports, &c.) shall be returnable on the expiration of one yea om the date of issue.†

ARTICLE XV.

It is agreed on both parts that the Articles untouched by the present revisio hall be hereby declared to be renewed and confirmed, and that the revised versio hall rule in the case of such Articles as the present revision affects.‡

ARTICLE XVI.

The present Convention shall be ratified, and the ratification shall be exchange Peking as soon as possible. In witness whereof the respective Plenipotentiarie ave signed the present Convention, the Supplementary Regulations appended, an e Tariff affecting goods in respect of which duties have been hereby changed; an ave appended thereto their seals.§

Done at Peking in quadruplicate, this 23rd day of October, in the year of ou ord 1869.

(L.S.) RUTHERFORD ALCOCK.
(L.S.) [Signatures of Chinese Plenipotentiaries.]

Supplementary Rules and Tariff.

Whereas it is expedient that Supplementary Regulations should be drawn up r the better explanation of the Articles of this Convention, the respective lenipotentiaries do hereby agree that the appended Tariff and Rules—the latter ing in ten Articles hereinunder following, shall be equally binding on the overnments and subjects of both countries with the Convention itself.

In witness whereof they hereto affix their seals and signatures.

(L.S.) RUTHERFORD ALCOCK.
(L.S.) [Signatures of Chinese Plenipotentiaries.]

RULE I.

Impor an un foreig circul Treat after s payme duty a

1. The Convention permits certain specified commodities of foreign origin, viz., ttons, linens, woollens, woollen and cotton mixtures, &c., &c., &c., to circulate eely in Treaty-port provinces without further liability to inland dues or charges

* The increased duty on silk will be slightly over 1 per cent., and while it cannot much affect price in nsumption, to assent to it procures several advantages for merchants in China. Duties are reduced on sundry icles; guano and foreign coal are freed from duty; foreign grain may now be re-exported (hitherto forbidden), l that without any duty. Dock stores are to be admitted free of duty, and a revised list of household and ships' res, free of duty, is to be drawn up; lastly, Wu-hu is to be opened to trade. This last concession is of immense portance, if only for the reason that it makes the Province of Anhui (coloured white in the preceding map), a eaty port province, and this opens that province for the circulation of British manufactures, in accordance with freedom and easy terms assented to in Article 3. If the map must be painted blue there will be something lost, if painted red the gain will be great.

† Possessing no coinage (cash excepted), China causes great trouble to foreign merchants in paying duties by ing for payment in a medium which does not really exist; it is therefore of importance to get it distinctly ed at each port what relation local Sycee bears to the Customs standard, and this is the task that this Article s on the Superintendent of Customs at each Treaty port. The work will be of difficult performance, but once ne, of lasting value. On the other hand, to stop malpractices and secure the return of documents, it is agreed t transit papers shall only be valid for a year, and must be returned within thirteen months from date of issue. is will be no hardship, and will not cramp mercantile operations in any way.

‡ The object of this Article is obvious, and needs no explanation.

§ Here a real difficulty presents itself. When are the stipulations the revision provides for to take effect? on ratification by England other States may not accept all, but only some of them, or rather may accept all ; China concedes, but to refuse to assent to all that England consents to. It would not do to be dealing with chants according to two rules, and therefore some method of procuring acceptance by all must be here devised,

on payment simultaneously of import duty and transit due at the time of importation. When taken inland by British merchants in person, or by Chinese, the agents of British merchants, or by Chinese purchasers, while the British merchant will be required, as prescribed by the Treaty of Tien-tsin, to travel provided with the usual passport, the commodities aforesaid need not be accompanied by any transit certificate, and may be sold freely and at pleasure, along the road, without being in any place called on to pay further dues, duties, or inland charges. The various Customs stations passed by such commodities will, however, make such examination as is usual, in order to provide against fraudulent substitutions and the transport of prohibited articles.

Other foreign imports or Treaty-port provinces to be accompanied by transit certificates.

2. With the exception of those classes of commodities which are to pay import duty and transit due simultaneously, all other foreign merchandize carried inland will continue to be exempt from all dues, duties, and charges *en route*, provided, having paid full import duty on importation and the tariff transit due when leaving the port to enter the interior, it is found to be accompanied by the ordinary proof of payment of transit due, namely, a transit certificate. Such goods will be liable to all dues, duties, and charges wherever found inland, if unaccompanied by transit certificates. Both British and Chinese merchants will be treated in accordance with the provisions herein set forth.

Or to pay all inland charges.

When both classes of imports travel inland in Treaty-port provinces in company, he former may be without certificates, the latter to be certificated.
Or to pay all inland charges.
And if uncertificated and not reported to be liable to confiscation.

3. When the commodities specified in the first clause of this Rule are carried inland in Treaty-port provinces, by either British or Chinese merchants, and when such commodities are accompanied by other foreign merchandize of the class provided for in the second clause of this Rule, the latter merchandize will be liable to all inland dues, duties, and charges, if not provided with transit certificates. Failure to report the presence of any such uncertificated merchandize, when passing Customs stations, or any attempt to defraud the revenue by carrying native produce in that guise, will subject all the goods of the same description to seizure and confiscation.

Foreign imports of the first class to be certificated when carried to non-Treaty port provinces.

4. When commodities of the kinds specified in the first clause of this Rule, and which simultaneously paid import duty and transit due, are to be conveyed by either British or Chinese merchants to non-Treaty-port provinces, transit certificates should be procured from the Customs at the port started from, on the face of which will be distinctly set forth the name of the place for which the said commodities are destined. On their way from the port to the place thus set forth in the certificate, such certificated commodities will be exempt from all liability to inland charges, dues, or duties. But in the event of its being discovered by any Customs station that may make examination, that the merchandize contained in the packages is different from the commodities set forth in the certificate, or that the certificate is for a *less* quantity than it is accompanied by, the goods concerned will be confiscated. On the arrival of such duly certificated commodities at the place set forth in the certificate, the certificate will become invalid, and the commodities having arrived at their place of destination, will be liable to whatever inland charges, dues, or duties the locality they are found in collects, and will thenceforth be treated like native produce in the localities concerned.

Transit certificates in Treaty-port, and also in non-Treaty-port, provinces cease to be a protection on the arrival of the goods at the destination specified in the certificate.

Rule II.

Native produce to pay all inland charges *en route* to a port.

1. British merchants, whether going in person or sending *Chinese* agents into the interior for the purchase of native produce, should first obtain from the Customs a blank memorandum. The native produce purchased will be liable to all inland charges, dues, and duties on the way to the port, just like any other Chinese goods in Chinese hands. On the other hand, each Customs station or barrier will be required to certify to the receipt of the amount of dues, duties, or charges there collected, by making an official and duly sealed entry on the face of the blank memorandum. Any sale *in transitu* of the native produce to which the blank memoranda refer, will be punishable in accordance with the regulations.

Receipts to be given for all payments.

Over payments to be returned, and short payments to be made up, if sent foreign within twelve months.

2. On the arrival of such native produce at the last barrier, the merchant is to report its arrival to the Commissioner of Customs, and the goods are to await examination. The memorandum brought back from the interior is at the same time to be deposited with the Customs. Should such native produce be exported to a foreign port (Hong Kong excepted) within twelve months from the date of arrival, the exporter will, at the time of exportation, pay the usual export duty; and,—as regards inland charges,—while on the one hand the exporter will be called on to make up the amount by which the sums entered on the memorandum fall short

of a Treaty transit-due (half export duty); on the other, the Customs will refund to the exporter the amount by which such sums exceed the Treaty transit-due. Should the produce be shipped for conveyance to a Treaty port, no make-up will be called for, and no refund allowed.

Rule III.

Drawbacks received in payment of other duties.

Foreign goods re-exported to a foreign country within thirty-six months from the date of arrival, if found to be in their original packages, with marks and numbers unchanged, will be entitled to receive the refund of the sum paid as import duty by a drawback, which shall be a valid tender for payment of other duties (tonnage dues excepted). Goods re-exported after the expiration of the said thirty-six months, shall not be entitled to receive such drawback.

Convertible into cash

Cash, *i.e.*, silver.

If re-exported within three months from the date of arrival, a drawback certificate will be issued at the Custom-house, which, on presentation at the Customs Bank, will be convertible into cash. Goods re-exported after the expiration of the said term of three months, will not be entitled to receive such convertible drawbacks.

As regards native produce, drawbacks for coast-trade duty will continue to be issued when the produce is reshipped within twelve months from the date of arrival. If re-shipped after the expiration of that term, native produce will not be entitled to any drawback of coast-trade duty.

Rule IV.

Inland certificates returnable within thirteen months.

British merchants will be allowed one month's grace for the return of such documents as they may have taken out when going inland (passports, transit passes, &c.) All such documents become invalid on the expiration of twelve months from the date of issue; and, if not returned within thirteen months from that date, the applications of the parties concerned for other documents will not be attended to.

Rule V.

Bonded warehouses.

At such of the Treaty ports as may be expedient, bonded warehouses will be established, and regulations for their working will be drawn up by the Inspector-General of Customs, and the Superintendent at the port concerned. Where sufficient reasons for the non-establishment of such bonded warehouses exist, they will not be introduced.

Rule VI.

Steam-tug in the Poyang Lake.

The Superintendent of Customs at Kiu-kiang will provide a steam-tug for the use of British merchants on the Poyang Lake and between Hankow and Kiu-kiang. The tug in question will be for the towing of British-owned vessels of the Chinese type, and a tariff of fees will be published, in accordance with which merchants whose boats may be towed will pay the Kiu-kiang Customs for that service.

Rule VII.

British merchant may use their own vessels going inland, and may rent lodgings, &c.

British merchants who may go inland duly provided with passports, to sell foreign goods, purchase native produce, or carry native produce into the interior for sale, are permitted to use their own vessels, if of the Chinese type and propelled by sail or oar, and, when in the interior, are further permitted to rent for short periods either hotels or private houses, where they may store their goods, but on which they are not to exhibit their hong name or the style of their firm.* Native produce purchased in the interior and entered on the memorandum for conveyance to a port, must not be sold in the interior. In the case of the inns or private houses thus rented from Chinese, the British merchant is not to interfere to protect the landlord from the incidence of the taxes and charges for which his house or property is assessable. The Chinese of the locality must not annoy or maltreat the British merchant, and proclamations setting forth all that precedes have been prepared and will be sent to the Governors-General and Governors of the Provinces for publication everywhere.

As regards vessels of the Chinese type, ownd by British merchants and used by them to go to non-Treaty ports, or places in the interior, each such vessel must

* N.B.—I consider this rule to contain a most valuable concession, and that it will, if acted upon judiciously and quietly, secure to merchants all the benefits they look for as likely to accrue from inland residence.

be registered at the Custom-house, where the Commissioner of Customs will issue a certificate of registration and the flag to be sailed under, the certificate to be countersealed by the Superintendent.* Such vessels must exhibit the flag received from the Customs, and comply with the special rules and regulations drawn up for their management. Any vessel unprovided with a certificate of registration detected in the fraudulent use of a flag resembling the Customs flag, or flying the house flag of any foreign mercantile firm, or having a certificate and flying the flag of any foreign country, will be subject, with her cargo, to confiscation.

Rule VIII.

Three coal mines to be worked experimentally. Kin-yung, Chu-kiang. Lo-ping, Kelung, Poyang Lake, near the.

The Imperial Commissioner superintending foreign affairs in the South will inquire into the condition of Kin-yung, Lo-ping, and Kelung, and will depute officers to work the mines at those places as an experiment. The question of the employment of foreigners to assist in mining and of using foreign machinery will be left to be given effect to by the Imperial Commissioner. The coals produced will be for sale to British and Chinese merchants without distinction.

Rule IX.

Household ships' stores. Revised list of duty-free articles to be published.

The Rules appended to the Tariff attached to the Treaty of Tien-tsin enumerated the articles that are to be admitted free of duty for household use and as ships' stores. A revised list is to be drawn up by the Inspector-General of Customs, and will be hereto appended, of the articles that are thus to be admitted free for the use of British subjects. Should such articles be carried inland they will be dutiable, in accordance with the rule and practice that formerly obtained.

Rule X.

Dock stores to be admitted free of duty. List of articles to be hereto appended.

Docks owned by British merchants will be permitted to import such articles as they require for the repairs of ships free of duty. But on newly-built vessels there will be levied a duty of 5 per cent. *ad valorem*. Before being entitled to the privilege of importing their stores duty-free, such docks must be registered at the Customs, and the owners must enter into such bonds as the Customs in question may consider necessary for the protection of the revenue. A list of the articles to be imported duty-free will be prepared by the Inspector-General of Customs, and appended hereto.

Tariff.

Imports.

		T.	M.	C.	C.
Watches, emaillées à perles	Per pair	4	5	0	0
„ gold	„	1	0	0	0
„ silver	„	0	5	0	0
Pepper, white	Per 100 catties	0	4	0	0
„ black	„	0	2	0	0
Tin plates	„	0	2	0	0
Grain, foreign } Free, whether imported or exported, but to take out permits in accordance with the Customs regulations.					
Coal „					
Guano „					
Timber. Reduction to be made after full inquiry at Shanghae.					
Opium	Per 100 catties	50	0	0	0
And to be dealt with in accordance with the special rules respecting that drug.					

Exports.

Silk, raw and thrown	Per 100 catties	20	0	0	0
„ yellow, from Sze-chuan	„	10	0	0	0
Coal, native (at the southern ports)	„	0	0	0	5
„ (at the northern ports)	„	0	0	4	0

(L.S.) RUTHERFORD ALCOCK.
(L.S.) [Signatures of Chinese Plenipotentiaries.]

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* N.B.—I consider that this rule, if acted on judiciously and quietly, will open all the coast and all the rivers to the enterprise of the British merchant. When China puts a moderate concession on paper, it entirely depends on the foreigner to use it in such a way as to get the most out of it.

Inclosure 2.

Sir R. Alcock to M. de Rehfues.

M. le Ministre et cher Doyen, *Peking, October* 20, 1869.

REFERRING to a previous correspondence on the subject of Treaty revision, and more especially to my last letter of December 7, 1868, addressed to M. Vlangaly, as the Doyen at that time, I have now the honour to inform you that the terms of a Convention have been agreed upon after a protracted negotiation, and will shortly be reduced to writing, preparatory to signature.

This Convention will secure all the concessions enumerated in the Report of the Board of Trade under fourteen heads. As a printed copy of this document is already in your hands, I need not recapitulate them here.

Something additional has been conceded on both sides, involving changes in the Tariff on a few articles, and also some modifications in the mode of collecting transit-dues, and in the commercial rules, which can only take effect by common consent.

It follows indeed of necessity, from the most-favoured-nation clause in all the Treaties, that no revision can be carried into effect without such general concurrence. Privileges or advantages cannot be unconditional, or without corresponding obligations; and these must be equally binding upon all who share the advantages in accordance with the declared object of such a clause.

For this reason amongst others, Her Majesty's Government would have preferred that no formal revision should take place until the right accrued to the other Treaty Powers, in order that all might enter into the negotiation at one time, and act in concert. The Chinese Government did not concur in this view, however, and it became necessary therefore either to waive all right to claim a revision, or enter singly into the necessary negotiations.

My instructions under these circumstances were to accept what the Chinese Government were willing to concede, though it might be only an instalment, in the *hope that better terms may be obtained hereafter*, either through the negotiations with which other Powers under their present Treaties will be entitled to open in successive years with the Chinese Government, or from the increasing disposition of the Government and people of China to improve their relations with foreign countries.

Her Majesty's Government have been as unwilling to remain at a standstill as to have recourse to measures of coercion, by the adoption of which the valuable trade with China would be put in jeopardy. It has seemed to them that the most prudent course would be to accept the concessions which have been obtained from the Chinese Government by fair argument and amicable representation, and to wait, as regards all other matters, the development which in the natural course of things may be looked for, and which the experience of late years gives good reason to expect will attend our future trade with China.

Such being the line of policy laid down for my guidance, I have both accepted and made concessions of more or less importance, keeping in view the material condition of the Empire, the actual situation of the Government, and the true interests of both countries. I had already last year announced to Prince Kung that I held nothing was to be gained by negotiating for the exclusive advantage of either nation to the prejudice of the other; and my conviction that the interests of both must be consulted.

I am persuaded that on no other basis can permanent relations of amity and commerce be maintained. There must be reciprocity of benefits as well as a spirit of fairness and desire for mutual accord. We may not get all that could be desired by strictly adhering to such a policy, nor obtain the most reasonable concessions even as promptly or as fully as we desire. But such as are obtained will be more willingly upheld by the central Government, and therefore less likely to be evaded by the provincial authorities or rendered nugatory by indirect means. A practical solution to the difficulty created by the persistent exactions of the local authorities, hitherto invested with a perfectly irresponsible power of local taxation, may thus be found when all privileges only to be extorted or maintained by force would fail.

It was not to be expected that China, for the first time in a position to negotiate as an independent and sovereign State, without preface or coercion would be disposed to concede everything and ask for nothing in return, or that the Chinese Government would not desire to avail themselves of the opportunity afforded by a

revision to secure some modification of the terms which were originally imposed upon them without any choice on their part.

I think, however, a simple enumeration of the concessions made on both sides will show that there is a large balance of advantage in favour of foreign nations and their commerce. I feel sure that many existing obstacles will be removed by their aid, and increased facilities afforded for its steady development.

The chief stipulations may be briefly summed up as follows :—

It has been agreed that all provinces in which there are Treaty ports shall be thrown open to foreign textile fabrics on condition that the payment of the half tariff transit duty shall be made simultaneously with the import duty and not left optional. Whether in foreign or native hands, in transit or going into consumption, they will, under this arrangement, be held exempt from all taxation whatsoever, from leking, and every other charge. No transit passes will be required for their protection—their foreign origin, easily ascertained, sufficing to establish immunity. In the other provinces they will have the protection as heretofore in transit to any point of destination designated by a transit certificate.

As regards native produce or merchandize for export to foreign countries, the transit certificate is to be dispensed with, and all inland duties will be paid by natives and foreigners alike without distinction. The several amounts of duties so levied being, however, entered by the officer levying the same at the different barriers or Custom-houses, on a blank form, to be supplied in advance to the merchant. The forms so filled are to be given up at the nearest barrier to the port of shipment, and on the owner or shipper applying for a permit of exportation to any foreign port, Hong Kong excepted, any excess over the half tariff duty paid will be refunded at once by the Customs. If less than the amount has been levied, the deficiency will in like manner be made up by the exporter.

In reference to these changes in the present system, some fears have been expressed that means will still be found of surcharging goods or produce entering into foreign trade. Such is the ingenuity and inveterate habit of Chinese officials, it is said, that no efficacious protection can be afforded by this or any other Treaty stipulation against such abuses. The half-Tariff duty will be scrupulously collected at the port of entry, and will be so much added to the exactions hitherto enforced.

I can only say that I myself believe the system now proposed will, in the main, be successful, and greatly check, if not entirely put an end to all such abuses. The Board of Trade, as you will have seen, approve it as perfectly equitable, and in accordance with what their Lordships believed to have been the intention of the stipulation to which they relate.

There is yet another argument in its favour not to be overlooked. By the present arrangements, as above described, the provincial authorities are given what they had not before, a direct interest in the whole of the foreign export trade, inasmuch as they retain in their own hands whatever taxes they levy upon it in transit If the collective amount of these prove in excess of the half-tariff duty, the merchant is reimbursed out of the Imperial Customs.

Lastly, the argument of the faithlessness of Chinese authorities to their engagements, and their ingenuity in finding pretexts for extortion, or the arbitrary levy of taxes, if carried to its logical conclusion, would be equally valid against any system that could be devised ; and should lead to the total abandonment of all effort to remove what is defective in the existing state of things, or any farther endeavour to relieve foreign trade from the greatest obstacle to its extension and prosperity. The absolute abolition, by Imperial decree, of all inland taxation would be just as valueless on this supposition ; some of them would still be assumed to be likely to find means of evading the law and levying taxes.

Immunity from all inland taxation, but more especially the oppressive form it takes in leking duties, often levied within the ports as well as in transit, has long been felt to be the great, if not the only, desideratum in our trade with China. If this can be effected merely by making the payment of the transit commuted duty of $2\frac{1}{2}$ per cent. at the time of importation, instead of a few days or weeks later, never was a great and material advantage gained at smaller cost. Even assuming the attainment of the end to be more problematic than I see reason to believe, what does the merchant risk ? Paying a small transit duty at once, which, as a rule, is now paid within a few days or weeks after importation on the great bulk of foreign goods (since these, for the most part, go into the interior under transit certificates, which too often fail in securing the protection they are supposed to purchase), or paying what otherwise might be avoided for goods sold on the spot for local

consumption. But, even in this latter case, the foreign merchants would still be largely the gainers if, by the system now contemplated, his goods are relieved from all liability to leking charges, often amounting at Amoy, not to 2½ per cent. *ad valorem*, but to 20, 50, and even 90 per cent, largely enhancing the cost to the native purchaser, and thus restricting, if not altogether arresting, the sale. To emancipate foreign trade from such an incubus as this, our foreign merchant would gladly risk a great deal more than 2½ per cent.; and wisely, too, since such taxation as this must narrow the area of consumption, when it does not destroy the market altogether.

I believe, therefore, that the balance of advantage, viewed from the least favourable point, will still be found largely in favour of a trial; and this is, perhaps, as much as can be secured in the first instance by any Treaty stipulations with a country like China.

All other concessions are, comparatively speaking, unimportant, if this one advantage can be secured, immunity from local and irresponsible taxation, and I think the arrangements now contemplated offer a fair hope of all foreign textile fabrics, which form the great bulk of the import trade being so emancipated.

Taken in connection with this, however, it was still desirable to facilitate access to inland markets, as well as the means of transport and accommodation for agents and their goods in the interior. This has accordingly been attempted under the following heads:—

1. By securing a right of navigating the inland waters, without limitation as to distance, in foreign-owned vessels of a Chinese type, under Custom-house licenses and regulations.

2. A right of renting, for short but undefined periods, either hotels or private houses, where they might dwell and store thei merchandize, though not exhibit their hong name or the style of their firm.

The first of these gives a right of trading along the whole coast between the Treaty ports, under Custom-house licenses and regulations.

I consider that these two privileges, limited as they are, and far removed from steam navigation and right of permanent residence which the merchants demanded, make no inconsiderable advance in opening up the country. If British and other merchants will only act on what they allow quietly and judiciously, as do the Russian merchants in some of the tea districts, giving no trouble to the authorities, and exciting no alarm or hostile feeling among the people, they will have little cause to complain that the privileges fall far short of their wants.

3. The duty has been either entirely remitted or greatly reduced on watches, pepper, tin-plates, timber, coal, both foreign and native, and guano.

4. The right of re-exporting foreign grain has been conceded.

5. A steam-tug is to be placed on the Poyang Lake, for the purpose of towing British-owned vessels on the lake, and between it and Kiu-kiang. This is chiefly valuable, I conceive, as a step towards the general introduction of steam on the inland waters.

6. Bonded warehouses are to be established where they are desired by the majority of merchants.

7. A revised list of duty-free articles for personal consumption is to be made enlarging the scope of the existing rules.

8. Dock stores are to be admitted free.

9. Drawbacks for foreign goods re-exported in any current quarter to be paid in cash; and drawbacks to be given and received in payment of dues at any time within three years of importation.

10. Tea bonds at the river ports are to be provisionally discontinued, as an experiment.

11. The amount of fine to be inflicted for a false manifest is fixed by Treaty at 500 taels. It is agreed that, in future, the amount shall be determined according t the special circumstances in each case, the maximum not exceeding 500 taels. A discretionary power thus be given to the Consuls to levy any smaller amount which may be deemed adequate upon inquiry into the merits of each case, the present high rate often defeating the purpose in view, either by being far beyond the means of masters of small vessels to pay, or disproportioned to the offence in view of extenuating circumstances.

12. It is agreed that a Commercial Code shall be drawn up, for acceptance by al foreign Powers, based on European principles.

This I consider chiefly valuable as a first step, rather than for what it imme-

diately secures. From a commercial code, derived from European systems of commercial law, to a civil and criminal code, such as has been long adopted in Turkey in mixed cases, there is but a short step. And this obtained, international Courts for its administration with fixed rules of procedure, such as are now in contemplation for Egypt by common consent, will follow in natural course, and prepare the way for either the modification or total abolition of extra territorial rights in China, and the gradual assimilation of two races in their laws and administration. This will remove, at the same time, one of the greatest obstacles to improved relations with the Chinese Government, and more free access to the interior.

13. Coal-mines are to be opened at Kien-yung, in Che-kiang, Lo-ping, on the Poyang Lake, and Kelung, in Formosa, with an understanding that they shall be efficiently worked, with the aid of foreign skill and machinery.

14. Two new ports are to be opened—Wen-chow, in exchange for Kiung-chow, in Hainan, which has never been thought worth opening; and Wuhu, on the Yang-tsze, between Chin-kiang and Kiu-kiang.

The first is equivalent to subsidizing a line of steamers between Foo-chow and Shanghae, both of which places desire a rapid and regular communication. It will also afford a ready exit for a kind of tea that reaches Foo-chow only after a long, circuitous, and expensive route; and it is the port of a comparatively wealthy and populous district.

The latter port is more especially valuable in connection with the arrangements made for the collection of the transit dues at the port of entry, as it adds the Province of Anhui to the other eight maritime provinces, in which foreign textile fabrics are to pass free without any transit pass.

15. The right of transhipment at Hong Kong for the Chinese ports, so much desired by the British and foreign merchants, has been conceded.

16. A rule has been framed, by which vessels trading to Batavia, Bangkok, Singapore, Malacca, and Penang, will share the privilege of only paying tonnage dues once every four months, now limited to vessels going to Japan, the Amour, Hong Kong, Manilla, and Saigon.

17. It is agreed that the Customs shall draw up rules *fixing the touch of sycee* to be received on the payment of duties, by the bank, at each port, and thus determine in some definite manner, in the absence of coinage, what relation local sycee bears to the Customs standard.

These are the chief concessions on the Chinese side; in return for which, additional rights and privileges beyond what has been secured by any antecedent Treaty, neither few nor unimportant, in my conception, it has been agreed that the following changes of Tariff, &c., shall take place:—

1. An increased rate of duty on opium and silk. On the first an increase from 30 to 50 taels per 100 catties, equivalent to an increase of $2\frac{1}{2}$ per cent. *ad valorem.* On silk, raw and thrown, a duty of 20 taels per 100 catties; on yellow silk from Szechuen 10 taels; making an increase of a little over 1 per cent. on both kinds (say $1\frac{1}{7}$), both still being taxed somewhat under the general scale adopted on the signature of the Treaties, of 5 per cent. *ad valorem.*

In both articles, opium and silk, considering their high value, so small an increase of duty is unlikely to diminish, by a single ounce, or in any sensible degree, the profits of those who deal in them.

2. Passports and transit papers are to be valid only for twelve months, and to be returned within thirteen. This merely gives authority for what has already been practised.

3. The right is conceded to China of appointing Consuls in the British dominions.

4. British merchant-vessels shall report to the Customs their port of destination, and shall hand in export manifests when about to clear. The Treaty had not provided for this; and there is no reason for refusing it, as it entails no sacrifice on the merchant.

The principal points of the Convention, to which will be annexed supplementary rules and Tariff, as affecting the articles named, either for reduction or increase, have now been passed in review. Considering how much has been conceded by the Chinese, and how few and unimportant the changes which they have insisted upon in return, either on grounds of reciprocity, or expediency, I think it is a subject for congratulation that they have been so moderate in their demands, and rested content with so much less than they are well known to desire.

It is very true, that the utmost to be obtained from their concessions falls very

far short of the demands and wishes of the Memorialists. Steam navigation on the inland waters, railroads, and telegraphs, rights of domicile inland, and the working of mines by foreigners, have all been refused as impracticable or inexpedient at present; and Her Majesty's Government have concurred in this view, and withdrawn all demands for any one of them. At the same time, several of the concessions made, tend in this direction, and, if used judiciously, will certainly prepare the way, at no distant period, for farther progress. I think that it is from this point of view their value will be most fairly tested.

On the other side, if we bear in mind the undisguised desire of the high authorities and of the whole body of educated Chinese, including the literati and gentry as well as the officials of every grade throughout the provinces for the restriction of foreign intercourses to the sea-board, if not, indeed, to a single port, as of old, and the withdrawal of any privileges which would only have been extorted at the cannon's mouth, and by superior force, I think they deserve some credit for their moderation during the present negotiations. The Tsungli Yamên did not indeed disguise their dislike to all the phases of extrat-erritoriality, the domiciliation of missionaries in the interior, the importation of opium, and the appointment of merchant Consuls; yet they have not pressed demands on any of these points, or sought to make concessions a condition of revision.

A right to appoint Consuls, which they may be very slow to exercise, and a trifling increase of duties on two articles that may yield them some additional Customs revenue, is about the sum of what they have rested content with. That these are neither unreasonable, nor in any sense inequitable, must, I think, be freely admitted; and I confess to a conviction that few European Governments would have contented themselves with so little in the revision of a Treaty containing much that was objectionable to them, more especially when expected to concede still more to the foreigner's advantage.

I shall be glad if you and my other colleagues concur in this view, which, in any case, I felt it to be due to all parties to submit, frankly and freely, for your appreciation.

After devoting the best part of two years to the discussion of the various questions at issue, and the endeavour, by friendly negotiations, to bring the Tsungli Yamên to see the expediency of changes favourable to the progress of trade and less restricted intercourse, I can only trust that, upon a review of the whole, the balance of advantages will appear to you, and to my other colleagues, such as to recommend the Convention for general acceptance.

You will, no doubt, hear from the Tsungli Yamên, and be invited to co-operate to that end, as soon as the instrument shall have been signed by the Prince of Kung and myself, it having been agreed that the High Contracting Parties shall mutually invite each of the Treaty Powers to promote, by their adhesion, its being speedily carried into execution.

I avail, &c.
(Signed) RUTHERFORD ALCOCK.

Inclosure 3.

The Tsungli Yamen to Sir R. Alcock.

(Translation.) *October* 23, 1869.

THE Prince of Kung, Pao, President of the Board of Revenue; Tan, President of the Board of Punishment; Wên, President of the Board of Civil Office; Tung, President of the Board of Revenue; and Chung, President of the Colonial Office, make a communication.

It is distinctly stipulated in the XVIth Article that the ratification of Convention this day signed shall be exchanged in Peking.

It is also understood that effect shall not be given to the several Articles except with mutual consent, until a common understanding with the other Treaty Powers has been come to, that their respective subjects in becoming entitled to the rights and advantages therein conceded to British subjects, shall in like manner as these be bound by the conditions thereto attaching. And to promote this end, with the least possible delay, it has been agreed that each of the High Contracting Parties shall communicate the Convention to the other Powers, and invite their adhesion to its terms and conditions.

It is further agreed that, for the present, Article III, stipulating for the compulsory payment of transit dues on certain British products, shall not take effect at the port of Niu-chuang. It is further agreed that, at the ports of Wên-chow and Wuhu, which are opened to British trade by Articles VI and X, British subjects shall enjoy the same advantages and immunities as they enjoy at the ports already opened to trade.

It is also understood that, in connection with the pilotage arrangements in Article X, China will take such measures as may be necessary for the lighting, buoying, and policing of the coast, rivers, and ports, and for the conservation of the same, the tonnage dues being charged with the outlay.

A general statement of such measures, with the amounts expended, will form a part of the returns made public each year by the Inspector-General.

The Chinese Government is declared to have complete jurisdiction along its coasts and rivers, and the British Government will insure due respect on the part of British shipmasters and others, to such rules and regulations as shall be formed, necessary for the effective conservance of the ports and rivers open to trade.

This despatch, supplementing the Convention this day signed by the High Contracting Parties, is addressed on the same day to his Excellency the British Minister.

Inclosure 4.

M. de Rehfues to Sir R. Alcock.

M. le Ministre et cher Collègue, *Peking, ce 25 Octobre*, 1869.

J'AI reçu la note que vous avez bien voulu m'adresser relativement à la conclusion des négociations pour la révision du Traité de Tien-tsin, et je me suis empressé de la porter à la connaissance de nos collègues. Je vous félicite d'avoir enfin mené à bon port ces négociations laborieuses, et je ne doute pas que mon Gouvernement ne preuve un intérêt vif au résultat; mais avant d'adresser à cet égard un rapport circonstancié à Berlin, il faut attendre, ainsi que vous le comprendrez, *le moment* où je serais mis à même d'examiner le texte même de la Convention signée le 23 courant entre vous et le Gouvernement Chinois.

Je saisis, &c.
(Signé) REHFUES.

Inclosure 5.

Sir R. Alcock to the Prince of Kung.

Sir, *Peking, October* 6, 1869.

I HAVE been instructed to represent to the Governement of His Imperial Majesty the expediency of some relaxation of the rules by which the British merchant is at present prevented from importing salt into China.

The relaxation contemplated is this: that the Chinese Government allow the British merchants to import into the port of Shanghae a limited number of cargoes of salt, say a cargo per month, or twelve cargoes a year, for the period of five years. An import duty would, of course, be levied on the article, and by means of the foreign collectorate the trade could be put on a satisfactory footing.

It must be well known to your Highness that a supply of good and cheap salt for the people is a most important consideration, second only, indeed, to that of grain, quantities of which China is glad to receive from foreign countries.

Fifteen years ago the import of salt to British India was prohibited, and the salt trade generally in that country was on much the same footing as is that of China. Year after year the restrictions on its import have been gradually removed, and foreign salt is now admitted on payment of a fixed duty like other goods.

The results have been advantageous to Government and people; the salt revenue in India has doubled; the people can get good salt at a cheap rate; the duty is collected in one payment at the port of entry, so that the salt smuggler has ceased to exist. The labourer who produced the native salt, now produces jute for the English market, rice, and a variety of oil-bearing plants, working for a much higher rate of wages than he did previously, and becoming a producer instead of a consumer of food.

I submit the above consideration to your Imperial Highness, and am satisfied that the experiment suggested will be highly advantageous both to the British salt merchants and to the revenue and people of China, while such an experimental concession would be received with satisfaction by Her Majesty's Government.

I renew, &c.

(Signed) RUTHERFORD ALCOCK.

Inclosure 6.

The Prince of Kung to Sir R. Alcock.

(Translation.)

THE Prince of Kung makes a communication in reply.

ON the 6th instant his Highness received a despatch from the British Minister requesting that, as an experiment during five years, one foreign ship per month—during the year twelve in all—might be permitted to bring a cargo of salt to the Port of Shanghae, the duties to be charged on the article being made the subject of arrangement between the two Powers, &c.

The Prince has to observe that, with regard to the import of foreign salt, memoranda exchanged while the Treaty was under revision were very explicit as to the impossibility of removing the prohibition; for there is a certain amount of salt produced in China, which is divided into a fixed number of lots; and if in addition to this quantity foreign salt were to be introduced, some of the native article must cease to circulate.

The amount receivable as duty on the foreign salt would not indemnify the losses of the salt gabelle.

Moreover, the (number of) licensed merchants, the number of licenses issued for each locality, and the quantity of salt saleable under these, is by law prescribed. If the native article ceases to circulate in any district, then the permits issued there are bought to no purpose, and the licenses are subjected to very serious losses.

There are hundreds of thousands of the population, too, who make their living out of the salt, being either engaged in its manufacture or in its transport. Simple as the people of China are, these would certainly not submit to be, as the British Minister's despatch suggests, turned into cultivators of jute, abandoning a certain means of livelihood for wages in prospective, nor is there any quantity of vacant ground for them to till.

There is a Treaty provision prohibiting [trade in] salt, and it will be inexpedient to modify the regulations in this respect.

During the course of this present year, an Australian merchant was detected bringing a cargo of salt to Tien-tsin. This case was leniently dealt with, by the confiscation of the salt only; the merchant was not punished, as this was his first visit to China, and he was not familiar with the Treaty. But, for the future. clandestine trade in salt by any and every foreign merchant will be punished as the Treaty requires.

Foreign salt cannot be put on the same footing as foreign grain, as the despatch under acknowledgment suggests.

As in duty bound the Prince addresses his Excellency the British Minister.

A necessary communication.

CHINA. No. 1 (1870).

DESPATCH from Sir Rutherford Alcock respecting a Supplementary Convention to the Treaty of Tien-tsin, signed by him on the 23rd of October, 1869.

Presented to both Houses of Parliament by Command of Her Majesty. 1870.

LONDON:
PRINTED BY HARRISON AND SONS.

CHINA. No. 6 (1870).

FURTHER MEMORIALS

RESPECTING THE

CHINA TREATY REVISION

CONVENTION.

Presented to both Houses of Parliament by Command of Her Majesty.
1870.

LONDON:
PRINTED BY HARRISON AND SONS.

[C.—80.] *Price* 3½*d.*

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Further Memorials respecting the China Treaty Revision Convention.

No. 1.

Paper read by the Earl of Clarendon at an Interview with a Deputation of Merchants and others interested in the Trade with China on the 28th of February, 1870.

HER Majesty's Government are not surprised that the Memorialists have learnt the nature of the provisions of the Convention in question with a certain dissatisfaction, for it cannot be denied that, compared with the recommendations and claims of the interest which they represent, urged upon Sir R. Alcock, prior to the recent negotiations, the advantages obtained may appear somewhat inconsiderable. Her Majesty's Government, however, have held a very different opinion from that of the Memorialists as to the limits within which it was desirable, in the general and permanent interest of our commercial relations with China, to confine the recent negotiations, and Her Majesty's Government believe that the provisions of the Convention are better calculated to promote that interest than Treaty engagements which would have more nearly secured the objects sought by the Memorialists and those whom they represent. It is unnecessary to enter at length into a consideration of those provisions of the Convention which consist of what are termed by the Memorialists "minor concessions" to British trade, referred to in paragraphs 4 to 7 inclusive of the Memorial; as, although it appears to Her Majesty's Government that, in some respects, the Memorialists greatly undervalue their importance, it is admitted that, taken by themselves, and not considered as a set-off to the so-called concessions made in the Convention to China, these stipulations would be received with satisfaction. Her Majesty's Government will, therefore, proceed at once to an examination of the opinions expressed by the Memorialists with regard to the *British* concessions, which consist of increased export duties upon opium and silk, and also with regard to the most important provision of the Convention, viz., that which is contained in Article III, by which new stipulations are made for the importation and transit of British textiles in the Treaty Provinces, and which the Memorialists consider as a concession to China, but which ought, in the opinion of Her Majesty's Government, to be regarded as an arrangement mutually advantageous to both contracting countries. The Memorialists themselves pass by the question of the increased duty upon opium as one rather affecting the revenues of British India than the interest of merchants in this country, and Her Majesty's Government will, therefore, confine their remarks to the increased duty upon silk. Upon this point it must be observed that, as the proposed increase amounts to nothing more than a readjustment of the duty to the rate stipulated by the Treaty of Tien-tsin—viz., 5 per cent.—it was impossible to expect that any revision at all of the commercial Articles of that Treaty could have been entered upon by the Chinese Government without such augmentation, and that it would have been impossible for Her Majesty's Government to have resisted this readjustment of the duty, if it had been insisted upon by that Government, irrespective of any other considerations. The intention of the Treaty of Tien-tsin was that China should receive a revenue calculated at the rate of 5 per cent. on the value of silk exported, and the specific duty fixed by that Treaty for administrative convenience having been for some years considerably less than that which was intended by both contracting parties, it became a matter of simple justice to allow of its rectification, although it is no doubt to be regretted that the period of revision should have coincided with an enhanced cost of the material. By acting on this principle on the present occasion, the absence of any fixed term for a further revision will enable Her Majesty's Government at any future time, should a fall in the price of silk enable them to do so, to fall back upon the stipulations of the Treaty of Tien-tsin on this point, which are only in abeyance during the existence of the Supplemental Convention, and to found an equitable claim on the Government of China for a corresponding reduction in the tax. In view, moreover, of the inland taxation to which this article is at present exposed, Her Majesty's Government are inclined to believe that the transit arrangements secured by the present Convention in return for the proposed increase in the export duty will more than counterbalance the enhancement of cost which may result from it, and that the increased fiscal interest possessed in this branch of trade by the Imperial Government will tend to operate as an inducement to them to exert greater influence in

restraining internal exactions. With respect to the remarks contained in the paragraph of the Memorial on the subject of these exactions and to the passage quoted from the Memorial of the Shanghae Chamber of Commerce, it is to be observed that neither in the French Treaty nor in any other Treaty concluded by Her Majesty's Government with an independent Power has it been attempted to interfere with the right of internal municipal taxation. All that has been demanded in such engagements is that imports and exports in foreign trade shall not be subjected to higher internal taxation than similar goods in the internal trade. There is nothing in the French Treaty to prevent the imposition of local taxes on British textiles in France, provided similar taxes are imposed on similar French textiles; on the contrary, the IXth Article expressly stipulates for this mutual right on the part of both countries. The Shanghae Chamber of Commerce is, therefore, altogether in error in supposing that we are submitting in this respect in China to anything to which we should not equally submit in France or any other independent country; on the contrary, the special privileges conceded by the Treaties of Nanking and Tien-tsin to foreign products and foreign subjects are such as could not have been proposed to a Power with which we were treating on equal terms. It might as well be urged that the license of tea-dealers, until last year enforced in this country, was a violation of international equity to China, as to charge the Chinese with ill-faith for issuing licenses to trade in silk. Her Majesty's Government will now proceed to consider the bearing of the provisions of the Treaties of Nanking and Tien-tsin, as well as those of the Convention under discussion, upon the question of the transit of British goods from the ports of importation to the interior, and of native produce destined for exportation to a foreign country from the interior to the port of shipment. The text of these provisions is as follows :—

"Article X. His Majesty the Emperor of China agrees to establish at all the ports which are by the IInd Article of this Treaty to be thrown open for the resort of British merchants a fair and regular Tariff of export and import Customs and other dues, which Tariff shall be publicly notified and promulgated for general information, and the Emperor further engages that when British merchandize shall have once paid at any of the said ports the regulated Customs and dues agreeably to the Tariff to be hereafter fixed, such merchandize may be conveyed by Chinese merchants to any province or city in the interior of the Empire of China, on paying a further amount as transit duties, which shall not exceed per cent. on the Tariff value of such goods."

This Treaty was followed by a declaration of the Plenipotentiaries of both countries on the 26th of June, 1843, by which it was determined that the further amount to be paid as transit duty by the Xth Article should not exceed the rates then in force, which were described as moderate. Under this arrangement, it must be remarked that all that is conceded is that British merchandize which has paid import duties may be conveyed by Chinese merchants (not by British) from the port to any province or city in the interior, on payment of the stipulated transit duty. No provision whatever is made by this Treaty for the transit of exports. The XXVIIIth Article of the Treaty of Tien-tsin is as follows :—

"Whereas it was agreed in Article X of the Treaty of Nanking, that British imports having paid the Tariff duties, should be conveyed into the interior free of all further charges, except a transit duty, the amount whereof was not to exceed a certain per-centage on Tariff value; and whereas no accurate information having been furnished of the amount of such duty, British merchants have constantly complained that charges are suddenly and arbitrarily imposed by the provincial authorities as transit duties upon produce on its way to the foreign market, and on imports on their way into the interior, to the detriment of trade, it is agreed that within four months from the signing of this Treaty, at all ports now open to British trade, and within a similar period at all ports that may hereafter be opened, the authority appointed to superintend the collection of duties shall be obliged, upon application to the Consul, to declare the amount of duties leviable on produce between the place of production and the port of shipment, and upon imports between the Consular port in question and the inland markets named by the Consul, and that a notification thereof shall be published in English and Chinese for general information. But it should be at the option of any British subject desiring to convey produce purchased inland to a port, or to convey imports from a port to an inland market, to clear his goods of all transit duties by payment of a single charge. The amount of this charge should be leviable on exports at the first barrier they may have to pass, or on imports at the port at which they are landed; and on payment thereof a certificate should be issued, which should exempt the goods from all further inland charges whatsoever. It is further agreed that the amount of this charge should be calculated as nearly as possible at the rate of $2\frac{1}{2}$ per cent. *ad valorem*, and that it shall be fixed for each article at the Conference to be held at Shanghae for the revision of the Tariff. It is distinctly understood that the payment of transit duties by commutation or otherwise should in no way affect

the Tariff duties on imports or exports, which will continue to be levied separately and in full."

This Article is explained and amplified by Rule 7 of an agreement signed by the Plenipotentiaries at Shanghae on the 8th of November, 1858, which is to the following effect:—

Agreement.

Shanghae, November 8, 1858.

Rule 7.—*Transit Dues.*—"It is agreed that Article XXVIII of the Treaty of Tien-tsin shall be interpreted to declare the amount of transit dues legally leviable upon merchandize imported or exported by British subjects to be one-half of the tariff duties, except in the case of the duty-free goods liable to a transit duty of $2\frac{1}{2}$ per cent. *ad valorem* as provided in Article II of these rules, merchandize should be cleared of its transit dues under the following conditions:—In the case of imports, notice being given at the port of entry from which the imports are to be forwarded inland of the nature and quantity of the goods, the ship from which they have been landed, and the place inland to which they are bound, with all other necessary particulars, the Collector of Customs will, on due inspection made, and on receipt of the transit duty due, issue a transit duty certificate. This must be produced at every barrier station, and viséd. No further duty will be leviable upon imports so certificated, no matter how distant the place of their destination. In the case of exports, produce purchased by a British subject in the interior will be inspected and taken account of at the first barrier it passes on its way to the port of shipment. A memorandum showing the amount of the produce and the port at which it is to be shipped will be deposited there by the person in charge of the produce; he will then receive a certificate, which must be exhibited and viséd at every barrier on his way to the port of shipment. On the arrival of the produce at the barrier nearest the port notice must be given to the Customs at the port, and the transit duties dues thereon being paid, it will be passed. On exportation the produce will pay the tariff duty. Any attempt to pass goods inwards or outwards otherwise than in compliance with the rule here laid down will render them liable to confiscation. Unauthorized sale *in transitu* of goods that have been entered as above for a port will render them liable to confiscation. Any attempt to pass goods in excess of the quantity specified in the certificate will render all the goods of the same denomination named in the certificate liable to confiscation. Permission to export produce which cannot be proved to have paid its transit dues will be refused by the Customs unless the transit dues shall have been paid. The above being the arrangement agreed to regarding the transit dues, which will thus be levied once and for all, the notification required under Article XXVIII of the Treaty of Tien-tsin, for the information of British and Chinese subjects, is hereby dispensed with."

Her Majesty's Government are unable to discover in either of the Articles which have been recited, or in the rules which explain them, anything which gives colour to the view of the mercantile body in China as to the scope of these provisions in exempting foreign produce from municipal taxation, whether general or local, when it has once passed into circulation in the country. The fair construction which ought, in the opinion of Her Majesty's Government, to be placed on these provisions, whether viewed in their legal bearing or with reference to international usage, is, as regards imports, that foreign produce may be imported on payment of 5 per cent., and circulate in equal competition with similar Chinese products at the port and its vicinity, and may be placed at any specified place in the interior also for purposes of equal competition with such Chinese produce, on payment of a transit duty of $2\frac{1}{2}$ per cent. in addition to the import duty; and, as regards exports, that for the purposes of transit and exportation no more than $2\frac{1}{2}$ per cent. and 5 per cent. shall be respectively levied on native produce destined for foreign markets. In neither case can it, they think, be legally contended that there is anything to prevent the Chinese from charging whatever general municipal taxes are leviable on Chinese goods at the port or in the interior, as regards imports, equally on foreign goods when once they enter into general circulation and consumption, and, as regards exports, upon Chinese produce before it has been purchased for exportation. But even if Her Majesty's Government had shared the view expressed by the Memorialists as to the construction which should be placed upon the Treaty stipulations bearing on this question, it would have been, in their opinion, very desirable that those stipulations should be revised and modified. It has been found, after ten years' experience, that those stipulations are of a kind which the Chinese Government are, on the one hand, unable, even if they were willing, to fulfil, and which Her Majesty's Government, on the other hand, would be unwilling, even if they were able, to enforce. When Treaty engagements are thus condemned in practice, the sooner they are revised the better; for their continuance can lead to nothing but dispute, inconvenience, and disap-

pointment. It remains to consider how far the provisions of the present Convention afford a prospect of more satisfactory results. They are contained in Article IV, and are as follows:—

"It is agreed that native produce purchased in the interior by British merchants furnished with the documents prescribed by the Supplementary Regulations shall pay all inland dues and charges on its way to the Treaty port. On the other part, China agrees that any such native produce, having paid all inland dues and charges on the way to the port from the place of purchase, shall be entitled to the return of any amount that may have been thus paid over and above the Treaty transit due (half export duty), provided exportation by British merchants to a foreign port takes place within twelve months. It is further agreed that native produce shipped to another Treaty port shall not be entitled to such refund."

The Memorialists state that, although if certain immunity from internal exactions could be secured in the Treaty Provinces, the additional $2\frac{1}{2}$ per cent. to be paid upon importation might not have been too high a price to pay for it, they doubt the possibility of this result, and therefore think that a certain loss will be inflicted on foreign trade for the sake of an uncertain advantage. Upon this statement it must be observed, first, that Her Majesty's Government are bound to give great weight to the deliberate opinion expressed by Sir R. Alcock in his despatch of the 28th October, that he has little doubt that the proposed arrangements, if ratified and carried into operation, will fairly secure the total exemption of textiles from further taxation in the nine Treaty provinces, and that, as no attempt could be made to strike a blow at the "leking" tax without a compulsory payment at the port of entry, it is an experiment well worth trying. Secondly, that it is improbable that the Chinese Government would make, as regards so large a part of the Empire, a concession of sovereign rights which they have so long and so strenuously resisted on sufficient and equitable grounds, unless they had seen their way to executive arrangements which would enable them to give it effect and to maintain equality of taxation between foreign and native products. Thirdly, that the Treaty provinces being more within reach both of Consular interference and of the control of the Imperial Customs Executive, it may be supposed that abuses will be more readily detected and redress more promptly obtained. Fourthly, that if, after trial, the proposed system should be found to fail, Her Majesty's Government will be free at any time to reopen negotiations and seek other combinations; and, fifthly, that public opinion in the Consular ports of China, so far as it has been yet collected, appears to be very much divided as to the merits of the proposed arrangements and that some portion of the mercantile community view them with favour and approval. While, therefore, the Memorialists (as Her Majesty's Government are disposed to think) underrate, on the one hand, the probable advantages of the stipulations under consideration, they appear, on the other, greatly to exaggerate, and, in some respects, to misapprehend the disadvantages with which it may possibly be attended. In the 12th paragraph it is stated, "It appears from the 4th clause of the 1st supplementary rule of the Convention that whenever British goods leave the Treaty provinces and reach their declared destination they become liable to any impost which the local authorities may think proper to levy; and that, instead of being a step in advance, this stipulation is a distinct forfeiture of a former Treaty privilege, and that the effect of the regulation will be to discourage the use of British manufactures in one half of China." This statement rests upon the view taken by the Memorialists of the rights conceded by the Treaties of Nanking and Tien-tsin, which has been already fully explained. According to the construction which Her Majesty's Government place upon the terms of those Treaties, no change whatever whatever will take place in the legal liabilities of British goods in transit in the non-Treaty provinces, except that they will in all cases be charged with the $2\frac{1}{2}$ per cent. transit duty upon importation as well the import duty of 5 per cent. Under the present regulations British goods are carried inwards, either with or without transit passes. If, with such passes, they are in precisely the same position as they will be under under the present Convention. If the merchant declines to take out a pass, his goods are liable to all the risks of extortion and internal taxation which have been so forcibly dwelt upon by the mercantile community, and which amount, in most cases, unless unrecognized means are found of evading them, to exceed very greatly the $2\frac{1}{2}$ per cent.; and if, as is stated, in the Province of Manchuria (where, be it observed, the Chinese Government has stated that the $2\frac{1}{2}$ per cent. duty shall not for the present be levied) no internal taxes are now levied, and the $2\frac{1}{2}$ per cent., if at any future time imposed, would, therefore, constitute a new charge upon trade. It must be remembered that whatever may have been the case in the past, British trade possesses no security for the future, and that it is no slight advantage to have a fixed commutation of all possible prospective charges which it was always within the competence of the Chinese authorities to impose. The Memorialists make no remarks on the effect of the regulations under Rule 2 of the new Convention, with respect to the transit of native

produce intended for exportation, and Her Majesty's Government hope, therefore, that they concur with them in thinking that they will prove advantageous in their tendency to prevent controversy and delay, by throwing the onus of keeping the transit dues within the Treaty limit upon the officers of the Imperial Government at the port. It will be seen from these remarks that Her Majesty's Government do not concur in the view taken by the Memorialists as to the probable effect of the proposed stipulations with respect to the transit trade, but, on the contrary, they are of opinion that by simplifying existing regulations, equalizing the treatment of British and Chinese-owned goods, and defining more clearly our Treaty rights, they are calculated to encourage and protect the legitimate interests o British trade. They are bound, however, to observe that, owing to the long continuance of what they believe to be a misapprehension of Treaty rights—a misapprehension which appears to have been shared, in some respects by Her Majesty's Representatives in China, and which has only been clearly brought to light during the recent negotiations—the mercantile community in China have naturally learnt to regard them as more extensive than Her Majesty's Government believe them to be, and interest and expectations have arisen which are entitled to great consideration. The observations of the Memorialists in paragraph 18, with reference to the recognition of Chinese Consuls in British possessions do not call for any special remark, as it seems to Her Majesty's Government that the appointment of a Chinese Consul at Hong Kong, which is the only place where the clause will at present have any practical operation, appears to be a necessary corollary to its constitution as a Treaty port, and that the Memorialists make no suggestion as to the mode in which the contraband trade from Hong Kong could be checked without Consular supervision. With respect to the provisions of Article I, referred to in paragraph 19 of the paper before them, Her Majesty's Government concur in the objections advanced by the Memorialists, and they propose to suggest the omission or modification of the Article in question, which they think need involve no serious difficulty with the Government of China.

No. 2.

Mr. Matheson to the Earl of Clarendon.—(*Received March* 15.)

My Lord, 3, *Lombard Street, March* 14, 1870.

I HAVE the honour to acknowledge receipt of your Lordship's reply to the Memorial of the London merchants on the proposed Convention with China, in which your Lordship observes that Her Majesty's Government are not surprised that we should have learned the nature of its provisions with a certain dissatisfaction. The Committee has given the most respectful consideration to the views of the Government, and we avail ourselves of your Lordship's invitation to submit to your notice the following remarks, in further reference to the subject:—

The Government reply to the Merchants' Memorial considered.

1. It is gratifying to us to learn that Her Majesty's Government recognize the validity of the objections we raised to the Ist Article of the Convention, and are prepared to suggest to the Chinese Government its omission or modification. Furthermore, since our Memorial was sent in, we have learned with satisfaction that on the strong representations which had been made by the mercantile community at Hong Kong upon the proposed relinquishment of the right to trade at Kiun-chow, Sir Rutherford Alcock had agreed to reconsider that question, and to bring it to the notice of Her Majesty's Government, with a view to procuring the opening of that port, or some other, in that part of China. Seeing that the revision of these stipulations will necessitate the re-opening of the subject at Peking, we must express our very earnest desire and hope that when our statements shall have been further considered, and the gravity of the interests involved shall have been fully weighed, Her Majesty's Government may be led to resolve upon claiming further amendments, which will remove from this measure its most objectionable features, and that limitation of rights and privileges secured under former Treaties of which we have so much cause to complain.

Some modifications being admitted as indispensable, there is an opportunity of revising the rest.

2. In regard to the proposed increase in the export duty on silk, your Lordship observes that it amounts to nothing more than a re-adjustment of the duty to the rate stipulated by the Treaty of Tien-tsin, viz., 5 per cent., which could not have been resisted by Her Majesty's Government. Your Lordship says, "The intention of the Treaty of Tien-tsin was that China should receive a revenue calculated at the rate of 5 per cent. on the value of silk exported, and the specific duty fixed by that Treaty for administrative convenience having been for some years considerably less than that which was intended by both contracting parties, it became a matter of simple justice to allow of its rectification." We readily admit the soundness of the argument, but we beg to point out that this 5 per

Injustice of the silk duty being revised apart from a general Tariff revision.

cent. basis was made applicable not to silk only but to every other article equally with silk. And we maintain that it is manifestly inequitable for either Government to select, as in this instance, the special case of one article of export for their own sole advantage. If the re-adjustment is claimed, let it be fairly made, and it will be found, as pointed out in our Memorial, that the existing export duty upon tea must by the same rule be largely reduced. Instead of being 5 per cent., the specific duty levied upon tea is not less than 12½ per cent. upon the average first cost of the article. If the duty on silk be now, at a period of exceptionally high prices, 140,000*l.* per annum less than China is entitled to levy, that on tea is unquestionably 500,000*l.* more than she can rightfully charge. We therefore feel that Her Majesty's Plenipotentiary in acceding to this demand has failed as the representative of his country to give just protection to the trade which is specially committed to his charge.

Injustice of municipal taxation after it has been redeemed by a commuted payment.

3. With reference to your Lordship's strictures upon our remarks on the internal taxation on silk, we cannot admit that any principle of international equality is violated by an agreement to commute by a fixed payment the aggregate of local or municipal taxes. Taking the case of France, as cited by your Lordship, we respectfully *submit that it would* be perfectly competent for our Government to agree with the Imperial Government to commute the Paris duties of octroi on British goods by a payment at the port of entry as in China, and that it would be illegal for the local authorities to charge those duties a second time. This in fact embodies the general principle for which Her Majesty's Government are now contending, viz., the recognition of the Supreme Government only; and it is precisely what Sir A. Alcock, with the approval of Her Majesty's Government, proposes to do, but only in the nine Treaty-port provinces, viz., to exempt British goods from all local taxation whatever in consideration of their paying the additional 2½ per cent. at the port of entry.

Injustice of the excessive license duties.

With regard to the right to levy license duties, and your Lordship's comparison between the license to deal in silk and the old tea-dealer's license in England, will it be believed that the latter was only a small uniform charge of 11*s.* 6½*d.* per annum levied upon the individual dealer, whereas the former is really a burden upon trade, being levied in respect of transactions, and not at so much per head, and involves a payment by each of the silk dealers at Nanzing of from 500*l.* to 5,000*l.* per annum, according as their sales may range from 100 to 1,000 bales each. *This license tax on silk was imposed by the* Chinese officials when they found that the commutation of the transit dues imposed a limit upon their power of taxation. It cannot, therefore, be defended, as your Lordship has defended it, on the general ground of a right to impose direct taxes; but it is a clear act of bad faith, and affords a flagrant example of that system of evasion by which the Chinese contrive to defeat the intention of Treaty engagements when disadvantageous to them.

Misinterpretation of the Treaty of Tien-tsin on transit dues.

4. On the subject of transit dues, which has, in our opinion, so vitally important a bearing upon the successful prosecution and extension of British trade in China, your Lordship contends that the mercantile community has laboured under a long continued misapprehension of Treaty rights, which appears to have been shared to some extent by Her Majesty's representatives in China, in supposing that the commutation of duties in name of "transit dues," provided for in Article XXVIII of the Treaty of Tien-tsin, was intended to free British imports into China from all internal municipal taxation. After the most careful consideration, we are compelled to adhere to the opinion that such complete exemption and nothing less was intended to be secured by that Article of the Treaty to British imports when conveyed to inland markets under certificates. The words of that Article, as quoted by your Lordship, appear to us incapable of carrying any other meaning, viz.: "the amount of this charge shall be leviable on exports at the first barrier they may have to pass, or on imports at the port at which they are landed; and on payment thereof a certificate shall be issued which shall exempt the goods from all further inland charges whatsoever." That Lord Elgin so understood the Treaty appears to us incontestable from the following terms used in his explanatory despatch to Lord Malmesbury, then Her Majesty's Secretary of State for Foreign Affairs.

Lord Elgin's interpretation.

"I have the honour to transmit herewith a tariff of duties, and accompanying Rules or Articles. . . . . .

"Rule 7 applies and extends the principle respecting transit dues, which is laid down by Article XXVIII of the Treaty of Tien-tsin. Henceforward, on payment of a sum in name of transit duty, which for simplicity's sake has been fixed at one-half of the Tariff rate of duty, goods, whether of export or import, will be free to pass between the port of shipment or entry to or from any part of China, without further charge of toll, octroi, or tax of any description whatsoever. I confess that I consider this to be a most important point gained in the future interest of foreign trade with China. In every representation

on the general subject of trade, which I have received from mercantile bodies or individuals since I came to China, the system, or no system, under which transit duties are now levied, has been pressed upon me as a grievance. I have always thought that the remedy was to be sought in the substitution of one fixed payment for the present irregular and multiplied levies. At the same time, in a country where duties of octroi are habitually resorted to as as an expedient for supplying the wants both of the local and Imperial treasuries, it was obviously difficult to devise a scheme for the commutation of transit duties, which, without creating great financial disturbance, should prove an effectual protection to the importing and exporting merchants. The rule now under consideration has been very carefully framed, and will, I trust, in practice, afford a reasonable security against both of the two classes of evils which I have indicated."

It will thus be seen that Lord Elgin defines transit dues to mean "toll, octroi, or tax of any description," and he defines octroi to be "an expedient for supplying the wants both of the local and Imperial treasuries." We cannot see how it can be disputed that these definitions cover all internal taxations of every description, the object being in Lord Elgin's own words to import certainty into mercantile transactions by the substitution of one fixed payment for the present irregular and multiplied levies. And we are at a loss to understand how Her Majesty's Government should now take a view of these important provisions in the Treaty of Tien-tsin, so opposed to the declared intentions with which they were framed, and to the clear definitions of them given in the words of Lord Elgin, who framed them.

Compulsory payment a certain tax while exemption from municipal dues is altogether improbable.

5. Under the Treaty of Tien-tsin the commutation of these duties was optional. It is now proposed to make it compulsory, and for the first time to create a distinction between Treaty-port provinces and non-Treaty-port provinces. In the former the use of transit certificates is abrogated, and we are officially informed that in these provinces the total exemption of British textiles, as such, from all further taxation, has been secured in consideration of the commuted payment. We have already expressed our objections to the compulsory payment, believing that in many districts it will not protect the owners of goods from being taxed in respect of them. Your Lordship's reply, so far from removing our objections, we must be permitted to say rather confirms them. The taxation from which it is professed to exempt the goods is clearly of a local or municipal kind, and any provisions to exempt us from these your Lordship informs us "the Chinese Government would be unable if willing to fulfil, and Her Majesty's Government would be unwilling if able to enforce." Under these circumstances we must be excused if we decline to admit this to be an advantage, for which we are to pay so highly without being reasonably certain of getting any equivalent; and we must still urge the necessity of some provision being made for the due fulfilment of this stipulation. It is perfectly notorious, and no officer of Her Majesty's Government who has ever lived in China will refuse to confirm it, that the Chinese Government has not kept promises of this character in the past, and the reliance which Her Majesty's Government places in the "probability that the Chinese Government has seen its way to executive arrangements for giving it effect" is entirely misplaced, there being no evidence whatever that any such arrangements either have been, or are intended to be made.

Disadvantages of the new arrangement in the Non-Treaty-port provin ces.

6. As regards the non-Treaty-port provinces, the new arrangement, instead of being similar to the present one, is much less favourable to trade. Words have been introduced into the new Article conveying a meaning into which the most hostile interpretation of the Tien-tsin Treaty could not be tortured. It is provided not only that exemption from taxation shall be limited to the period when the goods are "on the way," but a positive power is given to tax them "on arrival like native produce" which, of course has never paid a farthing in commutation of taxation. We are, therefore, unable to change our opinion that the Convention, in exposing British goods to unrestricted municipal taxation in one-half of China, does, as we have asserted, "entail the forfeiture of a former Treaty privilege." The insertion of these words will certainly result in placing what is at present an immense, and in the future an illimitable, outlet for British manufactures, at the mercy of the prejudice or the avarice of petty local governors. The paramount importance of protection against their exactions has been dilated upon by every one of Her Majesty's Representatives in China, including Sir Rutherford Alcock himself; and we feel it our bounden duty in the strongest manner to express our unqualified condemnation of the terms of the clause we now refer to, and the grave apprehensions we entertain that by such insufficiently considered measures British trade in manufactures may lose a footing in China which it may never be in our power to regain for them.

A Chinese Consul at Hong Kong most objectionable

7. With regard to the appointment of a Chinese Consul at Hong Kong, your Lordship remarks briefly that this "appears to be a necessary corollary to its constitution as a Treaty port." We are at a loss to comprehend how Hong Kong can be called a Treaty

port. It is a free port on British territory. We retain the conviction expressed in our Memorial, that this concession to China is most unwise, and while irksome and harassing to the Chinese population in the Colony, we believe that it will tend to embitter rather than to render more friendly the relations between Her Majesty's Government and that of China. It may be true, and we regret it, that owing to the corruption of the Chinese officials on the coast, there is contraband trade to some extent carried on by Chinese between Hong Kong and the mainland; but we never conceived, until your Lordship suggested it, that it was within our province to point out how such practices were to be checked, the Chinese Government being clearly entitled to adopt any measures for that purpose on their own territory and in their own waters, which they may find to be necessary.

The serious impediments to travel and settlement allowed and recognized.

8. Your Lordship has not referred to the serious limitation, contained in the Convention, of the right of residence in the interior, and to the very unwise, and to us humiliating, provisions with regard to travelling only in boats of native build, and to the virtual prohibition which is sanctioned by the Convention of the use of steamers for the conveyance of goods and passengers in inland waters. Without any desire to force these things on the Chinese Government, we may remark that Chinese traders are quick to avail themselves of the facilities offered by steamers for safe and rapid transit, and the prohibition of them which is involved in the provisions of Rule 7 will be a direct hindrance to trade, and ought not be agreed to in a Treaty.

Future readjustment not to be counted upon.

9. Your Lordship is pleased to state that if after trial the proposed system is found to fail, Her Majesty's Government is free at any time to re-open negotiations and seek other combinations. It will be well we think to remember that the Convention gives to China a clear increase of revenue, from import and export duties of 600,000*l.*, not including in that amount the commuted transit dues of 200,000*l.* more; and that any proposal for the re-opening of the negotiations could not fail to bear an appearance of hostility which would be resisted by the Chinese, if indeed Her Majesty's Government could be induced to make the demand for it.

Unanimity of mercantile opinion on the Convention.

10. Your Lordship expressed the belief that "public opinion in the Consular ports of China, so far as it has been yet collected, appears to be very much divided as to the merits of the proposed arrangements, and that some portion of the mercantile community view them with favour and approval." Your Lordship has been made aware since expressing these views that every public expression of opinion in China has been hostile to the Convention. The Chambers of Commerce at Shanghae and Hong Kong, and the mercantile community of Hong Kong assembled in public meeting, are, in whatever else they may differ, unanimous in deprecating the ratification of this Convention. Nor can your Memorialists learn from their private correspondence or that of their friends that there are any exceptions to the one unanimous sentiment of alarm and dismay at the possibility that it may receive the approval of Her Majesty's Government, improbable as such a result has appeared to them.

Memorialists' renewed prayer for non-ratification.

11. May we, therefore, trust that your Lordship, in no spirit of hostility to China, which has everything to gain by the freedom of commercial intercourse which we advocate, but with a high appreciation of the great commercial interests of this country, will advise her Majesty to withhold the ratification of this Convention until it shall have been so amended as to give the promise of the peaceful prosecution and progressive development of mutually advantageous commercial intercourse between Great Britain and China.

I have, &c.
(Signed) HUGH M. MATHESON,
Chairman of the Committee of London Merchants.

No. 3.

The Chairman of the Hong Kong Chamber of Commerce to the Earl of Clarendon.—(Received March 18.)

My Lord, *Hong Kong, January 21, 1870.*

Approach of time for the revision of the Treaty of Tien-tsin.

1. AS the time has arrived when, according to the terms of the Treaty of Tien-tsin, a revision of some of its clauses can be effected, the foreign residents here, and in the open ports of China, feel no slight degree of anxiety as to the policy which the British Government intends to adopt. Their anxiety is considerably increased by the tone of the English press; by the speeches delivered in the House of Commons during the

debate on the affairs of China last July; and still more by the tenor of some of your Lordship's recent despatches to Sir Rutherford Alcock. Memorials have been addressed to the British Minister at Peking by the various foreign communities in China; one was forwarded by us in October 1867 to his Grace the Duke of Buckingham, the then Secretary of State for the Colonies; and one has also been presented by a leading firm to his Excellency Sir Richard Graves McDonnell, the Governor of Hong Kong. In all of them the opinions of the merchants resident in China, as to the policy which ought to be adopted by the British Government in its dealings with that country, are forcibly, but temperately, expressed.

Apprehensions in China as to the result.

2. It is, therefore, with mingled feelings of disappointment and apprehension that we perceive that the opinions of men who, from their long acquaintance and extensive dealings with the Chinese, and from the magnitude of the interests represented by them, are entitled at least to consideration, are persistently disregarded. As Sir Rutherford Alcock is on his way to England, and as the time fixed for the revision of the Treaty has arrived, we deem it our duty now to address your Lordship directly; and respectfully to submit to your consideration the views entertained by us upon the present political and commercial state of China; and the measures which appear to us incumbent on the British Government to adopt.

British intercourse with China from 1842 to 1860.

3. We need not refer your Lordship to the history of British intercourse with China previous to the termination of the war in 1842. From the Treaty which was signed at Nanking in August that year, until the ratification at Peking in October 1860 of the Convention made more than two years before at Tien-tsin, it is not too much to say that we have little to record but continuous and systematic evasions by the Chinese of their Treaty obligations; periodically culminating in such gross and insulting violations of them, as to occasion constantly recurring hostilities.

Hostilities in 1857–59.

4. The mandarins persistently opposed any extension of British trade or influence within the Chinese Empire; and it was only after the lapse of considerable time and a large expenditure of blood and money that their traditional exclusiveness had at last commenced slowly, but gradually, to yield. The results were most gratifying; a steady and increasing development of trade had set in, which promised almost a boundless expansion, from which vast benefits would have accrued to both countries. These brilliant prospects were, however, marred by the untoward events of 1857 and 1859; in the latter year, war having been caused solely by an act of signal perfidy on the part of the Chinese Government.

Treaty of Tien-tsin.

5. The Treaty of Tien-tsin purports to be a Treaty of Peace, Friendship, Commerce, and Navigation between England and China, and though in many particulars defective, it undoubtedly contained provisions which, had they been faithfully observed by the Chinese, would have led to an enormous increase of mercantile transactions between the two countries; and which, we believe, must also have largely conduced to increased civilization, and consequent improvement in the political and social condition of the Chinese. We complain, however, that some of its most important provisions have been altogether disregarded, while others have been systematically evaded.

Policy pursued by the Chinese Government.

6. The Chinese Government, corrupt and inert, deficient in centralized authority, and in many respects utterly powerless against the mandarins of the interior, has virtually done nothing to carry out its obligations, except when compelled by pressure to perform them. From the Chinese point of view, this policy was doubtless the wisest it could adopt under the circumstances; because it was the one most embarrassing to foreign Powers, who felt great difficulty in dealing with a Government that in effect proclaimed itself impotent. We are free to admit too that, until the Tai-ping rebellion was crushed, it would have been both impolitic and oppressive, to have been unduly rigorous in compelling the strict observance of some of the provisions of the Treaty.

Its conduct since the suppression of the Tae-ping rebellion.

7. The Chinese Government succeeded in putting down the rebellion, in great measure owing to foreign material aid; and after its suppression, no further violation or evasion of the Treaty ought to have been permitted. The Government had been effectually supported by foreign States, whose combined action would have enabled it to reduce to obedience its refractory officials, and so have produced such a moral effect throughout the Empire, as to render needless any recourse to violent measures to enforce Treaty rights. Unfortunately other counsels prevailed; the foreign Ministers at Peking allowed the favourable opportunity to pass; and since then, they have overlooked the infractions complained of; have in some instances excused or palliated the actions of Chinese mandarins; while they have disregarded the representations of the resident merchants; to whom on more than one occasion, interested and improper motives have most unwarrantably been imputed. The result is lamentable. Emboldened by impunity, the Chinese continue resolutely and openly to disregard their Treaty obligations; and the

numerous and deliberate insults and outrages on their part which have of late been brought so prominently to notice, must give rise to well founded apprehension.

Frequent outrages lately committed on foreigners in China.

8. It cannot be attributed to isolated antipathy to foreigners, that within so short a period and in provinces so distant from each other, we have to record the outrages at Yangchow, the robberies and murders in Formosa, the attack on Mr. Wolfe at Foochow, the refusal of Prince Kung to receive the Duke of Edinburgh, and the recent attack at Ghanking and subsequent insult reported to have been offered to the British Minister by the Taoutae of Nanking. It scarcely admits of a doubt that, true to their old instincts, the mandarins are again exciting amongst the ignorant and prejudiced classes, violent hatred against all foreigners, in the vain hope of being able, by combined action, at once and for ever to rid the country of them. In such a critical state of affairs it becomes more than ever the duty of the British Government seriously to consider what will be the probable result should the policy advocated at home be persisted in. We fear that it must infallibly lead to a war, and at no very distant date, between England and China; and, therefore, it is that we feel it incumbent on us to give expression to our opinion upon this momentous subject.

The Chinese ought to be compelled to perform the Treaty.

9. The question to be decided is,—has the time arrived when the Chinese ought to be compelled to observe in its integrity the Treaty of Tien-tsin? We say that though a grand opportunity of doing so with the utmost facility, was lost some years ago on the suppression of the Tai-ping rebellion, it can still be done without the exercise of undue pressure. The longer, however, the matter is postponed the greater will be the difficulty of dealing with it, and the more imminent will be the danger of a war. Like all Eastern nations, the Chinese are destitute of any sense of political honour; and the only obligations their rulers will ever acknowledge are those they are enforced to observe. Delays on our part to insist upon our rights, far from being considered as an indulgence for which they ought to be grateful, are simply construed to be signs of weakness; and, therefore, the longer we defer to exact from them the strict performance of the Treaty, the more firmly will they be impressed with the idea that we are afraid of a rupture, and the more obstinate will they be in evading or violating its provisions. We cannot do better than quote the following forcible expressions used by Sir Rutherford Alcock in his despatch of the 5th February, 1869, to Lord Stanley, your Lordship's predecessor as Secretary of State for Foreign Affairs:—

Remarks by Sir R. Alcock on the Chinese.

"Experience leads infallibly to the conviction that where Treaties have been imposed by force upon an unwilling Government, as all with China have been, they can only be upheld by similar means.

"The diplomatic instrument has no binding power with Chinese when its stipulations may be evaded with impunity, or whenever it is believed that the force that imposed them is no longer extant or available.

"Diplomacy in such circumstances means armed reason, the only evidence of power or title to respect a true Oriental freely recognizes, and in order that foreign Powers may not have to resort to such rude instruments for proving their title, it behoves them to find means of preventing accumulative violations of Treaty, since continued impunity brings with it a conviction of weakness.

"It is weakness, or the suspicion of it, which invariably provokes aggression, and with Eastern nations, is a far more fruitful cause of bad faith and danger than either force or the abuse of it.

"The desire to avoid complications and wars in the far East should suggest, not an unreasoning recoil from the assertion of Treaty rights from fear of the troubles it may bring, but a steadfast adherence to such conditions of intercourse as experience has proved to be best calculated in the end to insure respect for engagements."

We deprecate a further delay in compelling the due observance of the Tien-tsin Treaty, because we fear that it will only tend to those "accumulative violations," which the British Minister declares too often occasion hostilities.

Infractions by the Chinese of the Tien-tsin Treaty.

10. This leads us to the consideration of those provisions of the Treaty of Tien-tsin, of the infraction of which we have long complained; and which we think ought in future to be strictly enforced; and we shall take them in their numerical order.

9th Clause. Travelling in the interior.

11. The 9th clause, by which British subjects are authorized to travel for pleasure or trading purposes to all parts of the interior is inoperative, except to some extent as regards the former object. The time has arrived when all unnecessary restrictions on travelling, which were perhaps necessary in some portions of the Empire during the rebellion of the Taepings, ought to be done away with. No injury can possibly accrue to the Chinese Government by their removal; because, in all cases, passports must be issued by the Foreign Consuls, who would exercise their discretion in granting permits, and withhold them when applied for by dangerous or suspicious characters. The right to trade in the

interior was undoubtedly acquired by the Treaty of Tien-tsin, and the privilege having been withheld in practice from British subjects is as much the result of a retrogressive foreign policy as of conservative action on the part of the Chinese.

Benefits that would accrue to both countries by extended intercourse.

12. That great benefit would be derived by both countries from increased intercourse between British and Chinese subjects, is certain. The experience of the past proves it. In spite of the vexatious restrictions which have so improperly been imposed by the Chinese Government, and the narrow limits within which we have hitherto been permitted to carry on our trade directly, it has increased enormously within the last few years; and if the vast and fertile provinces still closed to us were opened to the foreign merchant, it is almost impossible to calculate what dimensions our commerce with China would attain. Take for instance Szechuen, the largest as well as the richest province of China; in size it surpasses many a European State; its population is rich and numerous; its soil, of exuberant fertility; and its natural productions most various and valuable: why should we not be permitted to carry on unrestrictedly trading operations there? From the valuable and interesting Report recently published by the delegates of the Shanghae Chamber of Commerce on the trade of the Upper Yang-tsze, it is clear that the people themselves are most anxious to trade with us; and that if no opposition was shown by the mandarins, not the least difficulty would occur in commencing operations.

Xth Article. Opening of rivers and inland lakes.

13. By Article X, the Yang-tsze River was opened to British merchant-ships as far as Hankow. We strongly urge upon your Lordship the expediency of opening still more of that magnificent river, as also the other navigable ones, with the great Poyang and Toong-Ting lakes. Were that done, we should rapidly acquire an enormous trade with the rich provinces bordering on those waters, which are now virtually closed to foreign merchants; and the most brilliant results might fairly be anticipated.

Inland steam navigation necessary.

14. We should, however, premise that inland navigation will be nugatory unless permission be conceded to use steam-vessels. Sir Rutherford Alcock in a letter dated the 23rd March, 1869, to Consul Medhurst, says, "that no efforts hitherto made by me or by my colleagues in Peking, and they have been both earnest and continuous, have prevailed with the Chinese Government, or succeeded in removing their objections to initiatory steps in the direction of railways, inland steam navigation, &c." We give the British Minister full credit for having done all in his power to induce the Chinese Government to accede to the views so universally entertained by the foreign residents in China upon the vital importance of employing steam-vessels for inland navigation; and we can well believe that all such efforts will be resisted by the authorities at Peking with their usual obstructiveness; but, at the same time, we feel convinced that by the legitimate use of the influence which Great Britain ought to possess in this Empire, the opposition could easily and quickly be overcome. If the Chinese Government object, as stated by Sir Rutherford Alcock, to take "initiatory steps" in that direction, let permission be obtained for us to do so, and we venture to predict that, in a very short time, steamers will ply on all the navigable Chinese inland waters.

Railways and telegraphs ought ot be introduced.

15. The subject of steamers leads us naturally to railroads and telegraphs; and we fully endorse the opinion which has been so constantly reiterated by all who know anything of the country, that nothing will benefit it more, or tend more to develop the boundless resources of the vast Chinese Empire than railways; and we do not believe that any insuperable difficulties would be met with in establishing them. The Chinese are undoubtedly a self-sufficient and prejudiced race, so fully impressed with the conviction of their own superiority as to be inclined to consider any improvement in their antiquated institutions as impossible; but, on the other hand, they are eminently shrewd and practical, and easily adapt themselves to altered circumstances. Where in a position to do so, they have most readily availed themselves of the facilities afforded by the coast and river steamers, for travelling from port to port; and we do not entertain a doubt that they will just as eagerly make use of railways and telegraphs when introduced. The fact that permission has been conceded by the Mikado of Japan for the formation of a railway in the neighbourhood of Yeddo, is an additional reason for urging on the Chinese Government the importance of granting a similar privilege.

Would easily be established and confer great benefit on China.

16. It is possble that there may at first be some local opposition, and the superstitious dread of irritating the Fung-Shuy may give rise to partial disturbances; but we feel assured that by judicious management all such would soon be allayed; and we should see the natives of China crowd the trains as numerously as do the inhabitants of India, who are to the full as superstitious, and who have moreover their caste distinctions to overcome. It is in no mere selfish spirit that we so strongly advocate the introduction of steamers and railways; we should undoubtedly derive great advantages from the increased trade which would inevitably ensue; but the benefits to China would be infinitely greater. The vast resources of the country would rapidly be developed; its coal and other mineral treasures would be brought to light, and its artificial productions improved and multiplied.

Impossible now for any country to remain isolated.

17. We do not wish to enter here upon a discussion as to the abstract right that one country has to close her ports to other nations, and rigorously to exclude from her territory all foreigners, whatever may be their motives in visiting her, because it is manifest that such isolation is virtually impossible in this age. Besides, our intercourse with China is far too extensive, and too long established for her rulers now to strive successfully to curtail or restrict it.

Obligations of Great Britain as regards China.

18. We have high duties cast upon us by the position that Great Britain occupies in the East; and when we behold a vast country overflowing with natural wealth, teeming with an industrious and intelligent population, and yet sunk in political and social degradation; suffering from constant and extensive outbreaks, and with perpetually recurring famines devastating its largest provinces; we must ask ourselves, can nothing be done to change its state, and improve the condition of its inhabitants? We ought to take the lead here; it is for us gradually to introduce the various mechanical appliances which have made England what she is, and so, by developing the resources of China, increasing her material wealth, and introducing our civilization, raise her in the scale of nations, and elevate the political, social, and moral condition of her people.

XIth Article. Importance of Kwang-chow as a port.

19. The XIth Article of the Treaty provides for the opening of several additional ports, one of which, however—Kiung-chow in Hainan—still remains closed. We see no reason why the Chinese Government should have been permitted, for over eleven years—the Treaty having been signed at Tien-tsin in June 1858—to leave this clause partly unfulfilled. We believe that Kiung-chow would be of great advantage as a port, especially to Hong Kong, as it would be the means of opening to foreign trade the large and fertile Island of Hainan, and the adjoining provinces, from which extensive and valuable imports would certainly be derived. The position, moreover, of Hainan, and its vicinity to Tonquin and Annam render of the first importance the retention of the only Treaty port which exists on the Western Coast of China.

XXVIIIth Article. Transit dues.

20. The most important, however, of the Articles, and the one, from the glaring and systematic violation of which we have most suffered, is the XXVIIIth; by which it was provided that British imports, which had paid the Tariff duty, should be conveyed into the interior free of all further charges except a transit duty, which was not to exceed $2\frac{1}{2}$ per cent. on the Tariff value. The merchants of every port in China, have loudly and constantly complained of the manner in which, in the teeth of this clause, heavy duties have regularly been imposed upon foreign imports on their way to the interior from the place where landed. In some ports—Amoy and Foo-chow for instance—they have become so excessive as virtually to put a stop to the importation of British goods at either of those places.

Illegal charges levied by the Chinese mandarins.

21. In all the ports the charges levied under various names, have been largely in excess of the duty imposed by the Treaty; and the natural result has been that our trade with China has never attained the dimensions which the makers of the Treaty anticipated, and which would have ensued, if the transit duty had not been so arbitrarily and improperly increased. This grievance is the greater because of the difficulty of devising any plan by which the local mandarins can be prevented from extorting these illegal charges. It is, therefore, an additional reason for again impressing upon your Lordship the importance of insisting on the strict observance by the Chinese Government of the 9th and 10th clauses before referred to, with liberty of residence in the interior, under proper restrictions; and with the more rapid means of locomotion that steamers and railways would supply, foreign merchants would not be so completely at the mercy of corrupt Chinese officials as they unfortunately are at present.

Property sunk in China by British merchants on the faith of the Treaty.

22. Before leaving this branch of the subject, we must remind your Lordship that British merchants have, on the faith that Her Majesty's Government would insist upon the Treaty being honestly carried out by the Chinese Government, sunk an immense amount of capital at the open ports, in reclaiming the concession lands, and in building houses and godowns; and have besides expended vast sums of money in making the necessary preparations for the increased trade, which it was naturally anticipated would result from the Treaty; and which would undoubtedly have ensued, but for the misconduct of the Chinese, and the leniency with which their bad faith has been regarded by the British Government.

Penalties imposed by Order in Council on British subjects for violating the Treaty.

23. It is also worthy of remark, that under the Order of the Queen in Council, promulgated in March 1865, for the government of Her Majesty's subjects in China and Japan, severe penalties are imposed on British subjects for violating certain stipulations in the Treaty; moreover, a simple process has been instituted for bringing such offenders to justice; and the Consular Courts have been given great powers in dealing with them. Every safeguard, in fact, is enjoyed by the Chinese, while we are virtually without a remedy for the breaches of the Treaty from which we suffer.

Proposed alterations in the Treaty insufficient and unsatisfactory.

24. The British residents here, and at the Treaty ports, had shown singular unanimity in bringing under Sir Rutherford Alcock's notice the grievances of which they complained; and it was therefore with no ordinary anxiety that they awaited the promulgation of the alterations proposed to be effected in the provisions of the Treaty of Tien-tsin. These have recently been made public; and great disappointment has been felt by all the foreign communities in China, at the nature and the amount of change contemplated by the British Government. We had expected that some stringent means would have been devised to put a stop to further evasions or violations by the Chinese of any portion of the Treaty; we had ventured to hope that some weight would have been attached to our just and continued complaints; and had thought that, in a new Convention more regard would have been shown to our interests and our representations, than to the remonstrances and protestations of the Chinese Government, and their urgent retrogressive demands. All residents in China consider that the proposed provisions fall as far short of the just requirements of foreign trade in the East, as they deal too favourably with the antiquated theories and prejudices of the Chinese. In every respect we find China treated as a favoured nation that deserved well for her former fidelity to obligations, and the honesty of purpose displayed by her in endeavouring to perform her Treaty stipulations; and as far as British merchants are concerned, little, if any increased benefits are obtained, while additional duties are imposed, without reason, and the transit difficulty increased by the conspicuous absence of any guarantee for the observance of better faith in the future than has characterized the past. As to Hong Kong, this colony has reason to complain that it, in especial, must be injuriously affected by some of the proposed alterations, to which we now beg respectfully to draw your Lordship's attention.

Article II of proposed Convention.

25. By Article II, it is proposed to allow the Chinese Government permission to appoint Consuls to all ports in British dominions.

Power given to Chinese Government to appoint Consuls in British ports.

26. Viewed in the abstract, it appears but fair that China should enjoy such a right; and were she to appoint Consuls in London, Liverpool, Calcutta, Melbourne, or other distant British ports, no disadvantage would arise; and it is possible that some mutual benefits would accrue to both countries. The case, however, is very different when we have to deal with Hong Kong; and strange though it may seem, it is generally understood that this clause was suggested by the British Minister, and inserted mainly with Hong Kong in view. This Colony was originally established as an experiment; and the views of its founders have been fully realized by its progress and growth. It is an unproductive island, but its geographical situation, and its magnificent harbour, marked it out as admirably adapted to become the emporium of foreign commerce in this portion of the world; and the head-quarters, from which the large financial and commercial transactions of British and foreign merchants in China could best be carried on. Its success, however, and the immunity which as a free-port it enjoys from Customs and other dues, have long been regarded with jealous displeasure by the Chinese Government, which has done all in its power to interfere with its trade, especially that carried on by native merchants settled in Hong Kong. Indeed, it has required the vigorous action of our able and energetic Governor to counteract the undisguised attempts which the Canton officials have made to cripple the trade of this colony.

China not entitled to all the rights enjoyed by civilized nations.

27. China can in no sense be considered as a country entitled to all the same rights and privileges as civilized nations, which are bound by international law; in which the life, the liberty, and the property of all foreigners as well as natives, are secure and respected; and where a recognized procedure and a regular legal system can be relied on by those who feel themselves aggrieved. All foreign nations that have entered into diplomatic relations with China, have carefully reserved their exterritorial rights; thereby showing that in one most important particular, they consider it as outside the pale of modern civilization. Nor can the fact that British Consuls reside in the Treaty ports in China, be adduced in favour of the proposed clause, because it is manifest that in appointing them, the British Government had two objects in view. First, to protect the lives and property of Englishmen residing within the dominions of the Emperor of China; and, in the next place, to secure the Chinese from the injuries they might sustain if all, without distinction, who called themselves British subjects were permitted to resort to China, without any check upon their conduct.

Chinese residing in Hong Kong require no Consular protection.

28. In Hong Kong, the Chinese residents require no Consular protection; because though amenable to British law, they can appeal to our tribunals; with this additional safeguard that they have an important official in the Registrar-General, to whom as "Protector of the Chinese," they can always have recourse for advice and assistance.

Consul in Hong Kong would be only a spy on Chinese merchants.

29. We have no hesitation in saying that if a native be appointed as Consul for China in Hong Kong, he will in reality be a spy on the Chinese merchants residing in this colony; and we have several very wealthy and intelligent men of that class—and his main duty

will be to report to the mandarins of the adjoining provinces, the amount that can be extorted from them by the nefarious means which our experience shows us the provincial despots know but too well how to use.

IVth and Vth Articles unfair to Hong Kong.

30. The IVth Article of the proposed Convention provides that native produce from the interior, on which the inland dues and charges have been levied in excess of the transit Tariff when sent to a foreign port, shall be entitled to a refund of such excess, if exported within twelve months. By the Vth Article, Hong Kong appears to be excluded from this stipulation, and we are unable to see why this colony should labour under so obvious a disadvantage, nor why goods shipped to Hong Kong, a British port, should not have the same refund as native produce sent direct to London, or any other foreign port. The issue of the ordinary duty proofs for native produce shipped from a Treaty port to Hong Kong for re-shipment to another Treaty port, would be an advantage to the colony, and the renewal of a valuable concession formerly enjoyed.

Some stipulations favourable.

31. We hail with pleasure the stipulations contained in Articles XII and XIII relating to bonded warehouses, the working of coal mines, the opening of Wu-hu as a port, the exemption from duty of materials used in docks, foreign coal and guano, and the introduction of a steam-tug on the Poyang Lake. All these are steps in the right direction. We cannot but think, however, that if the Chinese Government has consented to provide a tug for the purpose of towing British-owned vessels of the Chinese type, the British Minister would not have found it insuperably difficult to induce it to permit small steamers to ply under proper restrictions upon the Poyang Lake, and other Inland waters.

Alteration proposed in the XXVIIIth Article objectionable in some points.

32. The proposed alteration in the XXVIIIth Article of the Treaty, by which a commutation of all transit dues is to be effected by the payment of increased import and export duties, would be willingly accepted as an experiment, were we assured that by it, the local mandarins will be prevented from levying, as heretofore, any illegal charges. We do not, however, consider that the process contemplated by the Supplementary Rules attached, will suffice to insure that the contemplated arrangement will be faithfully carried out by the Chinese officials; and without ample guarantee against the imposition of illegal charges by the provincial authorities, it appears to us that the only result to foreign merchants will be an increased burden of $2\frac{1}{2}$ per cent. on the value of their goods, without any countervailing advantage.

Exemptions purchased too dearly.

33. It should not be forgotten that the exemption which Sir Rutherford Alcock is prepared to purchase at so high a cost, is already ours by the Treaty of Tien-tsin, and that a most dangerous precedent will be established by giving the Chinese an additional duty for breaking faith with us. The conditions affixed to the privilege are a direct premium for further violations of the stipulations of the Treaty, and as an instance of the trust that may be reposed in the honourable intentions of the Chinese Government at the very time these stipulations of the Convention have been agreed upon, it is worthy of remark that at Canton, an additional tax has, within the last few days, been imposed on foreign goods. It is contrary to all experience to expect the faithful observance of the new terms of transit, and it is suicidal on the part of a country like Great Britain, so deeply interested in the development of our import trade in manufactures, to recede from a favourable position when once secured, or inertly to suffer valuable concessions once obtained, to be afterwards denied us systematically, and occasionally with insolence. The Convention, as regards the transit duties, is therefore, in a most essential point, unsatisfactory.

Kwang-chow ought to be retained.

34. We shall rejoice to see Wenchow and Wu-hu opened as ports, but we are strongly of opinion that Kiungchow ought not to be given up; as we have already addressed your Lordship on this point, we need not recapitulate the reasons which induce us to consider it of such importance.

Increased duty on opium and silk.

35. We are unable to see on what grounds the increased duties on the importation of opium under Article XII, and on the exportation of silk under Article XVII should be imposed; because in our opinion the rates already affixed are to the full as high as either article can afford to pay. The former is already liable to a high import duty, and the competition between the Indian and the native-grown drug is increasing. The additional duty now proposed to be levied will naturally tend to diminish the importation of Indian opium, and consequently must injuriously affect our trade; and at the same time make itself seriously felt in our Indian Empire, the revenue of which derives no inconsiderable amount from its production.

7th Supplementary Rule. Hiring houses in the interior.

36. Under the 7th Supplementary Rule, permission is granted to British merchants who may go inland, duly provided with passports, for the purpose of selling foreign goods, or purchasing native produce, to rent for short periods, hotels or private houses, where they may store their goods, but on which they are not to exhibit their hong name, or the

style of their firm. It is, however, provided that the houses so rented from Chinese landlords are not to be protected from any taxes or charges to which they are assessable. This is tantamount to giving the mandarins an excuse for imposing rates on all houses so occupied by British merchants, of which there can be no doubt the former will eagerly avail themselves, and so render nugatory a concession, which if carried out in good faith by the Chinese authorities, would have been of signal advantage to all parties. If the XIIth Article of the Treaty of Tien-tsin were liberally construed, its provisions would be far preferable; because there is no limitation in it as to the period for which buildings can be taken; British subjects are given permission to build or open houses, in other places besides the ports; and it contains a prohibition against exactions on either side, while there is nothing to prevent the exhibition of the names of the persons by whom the premises are taken.

Mr. Burlingame's Mission.

37. We are aware that many, whose opinions are entitled to respect, are inclined to believe that the Chinese Government is fully impressed with the necessity of fulfilling its engagements; and would willingly do all in its power to foster progress, and introduce useful measures both political and social. They imagine that it is actuated by a sincere desire to ameliorate the condition of the people; and that convinced of the impossibility of any longer perpetuating its obsolete system of exclusiveness, it is anxious for increased intercourse with foreigners, and particularly for the extension of friendly and commercial relations with European and American States. They are even credulous enough to believe that it really desires extensive reforms, and would gladly introduce into China the various mechanical appliances, and other modern inventions, which have conferred such incalculable benefits upon the people that possess them, were it not that the state of the country is such, as to render the Government apprehensive of inaugurating, just at present, any changes, however beneficial or needful. Men imbued with such ideas naturally deprecate anything in the shape of compulsion; and insist that what is requisite now for Great Britain to do, is to refrain from any even indirect pressure; to welcome, as it were, China into the family of friendly States; treat her in every respect as a highly civilized country; and allow her to select her own time for fulfilling, in their integrity, her Treaties. Viewing Chinese affairs and Chinese Ministers through such a favouring but delusive medium, it is not surprising to find that they consider some recent occurrences, and especially Mr. Burlingame's Mission to the Treaty Powers, as a proof of good-will on the part of China, and as indicating a desire to give up her former isolation, and in good faith commence a career of progress. It has constantly and authoritatively been referred to as a most important and gratifying event, from which a brilliant future for China may be anticipated; and which, besides, necessitates a complete change in the policy to be pursued towards her. In our opinion this is a great delusion, and one from which very deplorable consequences may ensue. All who are conversant with China regard Mr. Burlingame's mission as suspicious in its origin, mischievous in its progress, and likely to prove in its results disastrous to all countries connected for commercial purposes with China. It is simply a device for the Chinese to obtain time, and thus again defer indefinitely the fulfilment of the obnoxious clauses of the Treaty. The device is an astute one, and has unfortunately succeeded too well. Foreign Powers appear to have been all easily cajoled by the representations of the Commissioners; have given credit to their professions of liberality and desire for progress; and have compassionately yielded to their petition for time and consideration. We own we are at a loss to see on what grounds any greater reliance should at the present time be placed on Chinese promises and protestations, than at any other period of our intercourse with them. What proof is given of their honesty; or from what are we to infer that they will in a few more years, when their youthful Emperor has attained his majority, be either better able, or more willing, to observe their engagements than they now are? They have ever consistently refused to perform any Treaty obligation unpleasant to themselves, which they have not been compelled to carry out. Since the ratification of the Convention of Tien-tsin, the chief occupation of the various Ministers at Peking has been to bring under the notice of the Government incessant and flagrant violations by the mandarins of its most important provisions, while the residents at the ports have literally had to besiege their foreign Representatives with memorials and complaints of extortions and illegal charges for which, in many instances, no redress has been obtained.

The Mission will not have the anticipated results.

38. The Chinese authorities have, in general, done nothing, except occasionally to degrade or punish some subordinate official, unless when the forbearance of some foreign Power has been too severely tried, and the threat of forcible measures has succeeded, where mere remonstrances had proved ineffectual. We can discern nothing in Mr. Burlingame's Mission from which to infer the inauguration of the epoch of good faith, progress, and civilization in China, so confidently predicted; on the contrary, we entertain

the melancholy conviction that, if successful, it will only mark the date of fresh and still more complicated disputes between China and the foreign Powers that may be induced to accede to the proposed Treaty.

Improper motives imputed to foreign merchants in China.

39. We have entered fully into the various matters to which we desire to draw your Lordship's attention, and if we have done so at such length, it is because their importance requires it. Resident as many of us have been for years in China, and well acquainted with the feelings and the doings of the Chinese, we have anxiously watched the course of events here, and we now deem it our duty to express, as forcibly as we can, our opinion as to the results which are likely to ensue from the adoption of the policy of late so strongly advocated at home. We are aware that we labour under the disadvantage of addressing your Lordship at so great a distance from London, particularly as our representations may be considered to emanate from interested persons. We well know that imputations have at times been cast upon the British and foreign merchants residing here; and some have even gone so far as to allege that we really desired a renewal of hostilities between Great Britain and China. Such imputations are scarcely deserving of notice. It is sufficient to remark that we are emphatically men of peace; all our avocations are peaceable, as all our interests tend to the preservation of the peaceful relations between the two countries. The transient benefit which some few individuals might derive from the short-lived and unwholesome impetus of a war, would be infinitely outweighed by the losses which the great majority of merchants would sustain by the disruption of our vast and complicated commercial relations with the Chinese traders.

Critical state of affairs in China.

40. Once broken off, or even partially disturbed, it would require a lengthened period and great expenditure to renew them. It is because we fear a war and its disastrous consequences that we now address your Lordship, and, through you, the British Government. Affairs in China have reached a critical point, and each day their aspect becomes more ominous. It is because we feel convinced that the policy which ought to be adopted by Great Britain is a vigorous and consistent one, not employing undue pressure, nor yet making injudicious concessions, that we so strongly condemn the ill-advised and retrogressive action which Mr. Burlingame, and those who share his views, are advocating. In China not to advance is practically to recede. Great Britain cannot afford to lose ground.

Preponderance of British trade.

41. From the vast preponderance of her commerce in this portion of the world—and by the last Returns it exceeds 80 per cent. of the entire foreign trade—she ought to exercise a paramount influence in China. Her victories have made her respected, she has ever been moderate in her demands, and in her dealings with her vanquished enemy she has always displayed consideration and fairness. Her advice should, therefore, be eagerly sought for, and her wishes carried out by, the Chinese Government.

Conclusion.

42. We believe that the important changes we have recommended to your Lordship would, if introduced, be attended with the most beneficial results, and could easily be effected by the proper exercise of the influence which Great Britain still possesses in China, and of which we earnestly hope she will not soon be deprived. On the other hand, we greatly apprehend that if she any longer permit her Treaty rights to be violated with impunity, she will not merely be looked on with increasing contempt by the Chinese themselves, but will rapidly sink in the estimation of foreign Powers, who, by the adoption of more vigorous action than she can be induced to use in China, have recently succeeded in obtaining immediate and ample redress for injuries inflicted on their subjects, while they have, at the same time, added to their political influence in the East.

I have, &c.
(Signed) W. KESURIR, *Chairman,*
On behalf of the Hong Kong General Chamber of Commerce.

No. 4.

Memorial of the Inhabitants of Hong Kong.

To the Right Honourable the Earl of Clarendon, K.G., Her Majesty's Principal Secretary of State for Foreign Affairs.

The humble Memorial of the Inhabitants of the Colony of Hong Kong.

Sheweth,

Introductory.

1. THAT on the 3rd day of January instant, at a public meeting of this community, called to take into consideration the Convention for the Revision of the Treaty of Tien-tsin

recently signed by Sir Rutherford Alcock, Her Majesty's Minister to China, it was unanimously resolved that measures should be taken to remonstrate against the ratification of the Convention by Her Most Gracious Majesty, in so far as certain Articles thereof, more peculiarly affecting the welfare and prosperity of this Colony and its community, are concerned.

2. Your Memorialists now, in pursuance of such resolution, beg to state the reasons which appear to them to render it not only inexpedient, but highly injudicious, that the Convention shall be ratified, so far as regards those clauses which they believe to be injurious in their tendency or effect to the prosperity of the Colony and its trade, and almost certainly materially to diminish the revenue now accruing to the Crown from the Colony; and they trust that your Lordship will take them into your serious consideration, before advising Her Majesty to ratify any provisions which this community unanimously consider as most prejudicial, not only to their own interests, but to the larger interests involved in placing the relations between Great Britain and China upon a satisfactory footing.

Special interests of Memorialists.

3. Your Memorialists, while craving your Lordship's best consideration of the despatch addressed to you by the Chamber of Commerce of this Colony, would point out that, as Colonists, they represent interests which, though in the main identified with those represented by the Chamber of Commerce, sometimes cease to be perfectly identical with the latter, and which are, by some of the clauses of the Convention, more particularly affected than is the trade with China as a whole; and your Memorialists believe that it is quite possible not only to maintain and preserve existing rights affecting trade, but also to extend and develop general commercial interests in China, without sacrificing or prejudicing this Colony in order to attain those ends.

Clauses of Convention commented on.

4. The clauses of the Convention which, in the opinion of your Memorialists, more immediately concern and affect their interests, are the 2nd, 4th, 5th and 6th.

5. Of these, by far the most important is the 2nd clause, under which the Chinese Government will claim to place a Consul at Hong Kong; and your Memorialists propose to state, firstly, why they conceive the Government of China have no shadow of reason to claim such a concession; and secondly, why it is that the granting of such a privilege will be injurious to their interests; and in this connection they would respectfully urge that, if they can satisfy your Lordship that the right of the Chinese Government to such a concession is untenable, or even doubtful, your Lordship will be bound to give great weight to the deliberate conviction of a whole community, as to the doing so being fraught with great peril to the only interests at stake,—their own.

International usage as regards appointment of Consuls.

6. Your Memorialists would first ask your Lordship to consider the question of the usage, for it is usage and not a right, with regard to one power allowing another power, with which it is in amity, to place Consuls in its ports. This privilege of placing Consuls or "National Agents" at places in the territory of another nation, is accorded to all nations who recognize and act upon the principles of public law, and are in unrestricted commercial communion and intercourse with each other, and who grant the same or reciprocal privileges. By "unrestricted" it is not meant that the trade is not subjected to certain imposts, or restrictions, of a purely fiscal or protective character, or to limitations as to "contraband" traffic, but that the right to go into and travel through a country, and to reside anywhere in its territory is never prohibited, and where the capital, products, and manufactures of another country are allowed (subject to revenue or protective imposts or restrictions) free ingress and transit to every mart in its dominions. This general rule applies, not only to all Christian and civilized countries, but also to other nations where, for divers reasons, it has been thought right to insist upon a preservation to Great Britain of exterritorial jurisdiction over its subjects resident or commorant within the dominions of the other Power, as for example, Turkey and other countries bordering on the Mediterranean. If this then be, as your Memorialists believe, the rule and the reason for granting this privilege, it is necessary to see whether China complies with the requirements exacted from every other Power with whom Great Britain is in Treaty, before exequatur is granted to its Consuls; and, if she does not, is there any reason why she should be made an exception?

Earl Clarendon's opinion to Sir George Bonham

7. On this head your Memorialists would refer to the admirable exposition of the status of China as a nation, appearing in your Lordship's despatch of 24th June, 1863, to Sir George Bonham (covering Her Majesty's Order in Council of 13th June, 1863), p. 3.

"In ordinary cases of British subjects resorting to a foreign country, their persons and properties are intrusted to the protection of the laws and institutions of the country to which they resort, in the full assurance that those laws will be duly administered, and

that the institutions of such country, although they may differ from those of England, are substantially in harmony with the general principles of jurisprudence recognized amongst Christian communities. But the case is different as regards China; and there the British Crown has found it necessary to require that British subjects shall be entirely exempted from the jurisdiction of the local tribunals,"—a description that all residents in China feel to be singularly expressive of the position of this nation, and which has frequently been affirmed by successive Ministers in China, including Sir R. Alcock.

Opinion of Law Officers of the Crown.

8. Your Memorialists would also refer your Lordship to an opinion of the Law Officers of the Crown, given upon a question as to certain seizures for breach of the blockade of the Canton River during the war of 1856–57, involving a right of the highest and gravest kind known to public law, or required by the comity of nations, viz., the right to have such seizures adjudicated upon by a duly constituted Prize Tribunal, and a formal condemnation as lawful prize, before the property in vessels and their cargoes can be divested out of the original owners. This opinion was given in January 1860, after the signature of the Treaty of Tien-tsin (though before its ratification), and the names attached to it are those of Lord Westbury (then Sir Richard Bethell), the late Sir William Atherton, and the late Sir J. D. Harding; and the Executive of this Colony acted upon the opinion, the proceeds realized by the sale of these Chinese vessels and cargoes (some 85,000 dollars) being divided amongst the captors without any investigation, judicial or otherwise. In this opinion the following passage occurs:—

"We are of opinion that, as between Her Majesty's Government and the Government and subjects of China (a country which neither acknowledges nor follows the *jus gentium* of European States, under which the necessity for Prize Court condemnation arises), no condemnation as prize is either necessary or expedient."

Distinction between "privilege" and "right" to appoint Consuls.

9. Your Memorialists would point out that if China's not recognizing the *jus gentium* be a sufficient reason for refusing to her what is a right or necessity under the law, the obligations of that same *jus gentium* cannot be said to render a grant of what is only a privilege imperative. It may be said that, since that opinion was given, China has entitled herself to be considered as within the pale of nations, but sad experience has taught your Memorialists that, instead of progressing towards that desirable end, China is even further off now than she was then; and of this, your Memorialists would point out, no better proof can be required than the very words of the second clause itself, which says that "China having agreed that England may appoint Consuls to reside at every port open to trade," it is then further agreed that "China may appoint Consuls to reside at all ports in the British dominions." The reciprocity which alone entitles a nation to ask for international concessions is singularly wanting here.

Special circumstances of Hong Kong.

10. Bearing upon this claim of China to have concessions which she does not earn, there is one reason which is applicable only to the Colony of Hong Kong as distinguished from every other British port. In this Colony there are upwards of 120,000 Chinese residents, all of whom are Colonists, subject to our laws, the great majority of them tax-payers, and a very large number of them landholders, and entitled as such to Colonia registers for vessels (owned by them) flying the British flag, who have been for many years peaceable, well-conducted citizens, with a considerable stake in the welfare of the Colony, and who, by being the promoters and managers of the large emigration to the United States and the Australian Colonies, the principal exporters and traders, shareholders in our banks, steam, insurance, and other public companies, and eager adventurers in new manufacturing projects, do more to civilize China than fifty Treaty ports would do. These people live contentedly under our rule and are free, at present, from the extortions and squeezes to which they would indubitably be subjected, through their families or relatives living in China, if a Chinese Consul were placed here; and against which, intangible as it would be, the Government here could not protect them, nor for which could it give them redress. To say nothing of the complications of jurisdiction that would arise, it is enough to say that the Chinese residents here, now a well-ordered community, are unanimously opposed to the introduction of a Consul who will, to a certain extent, bring them under the power of their own corrupt officials.

11. Your Memorialists submit that, while China only permits the residence of Consuls at certain specific places, she cannot in reason expect greater privileges than she concedes, and that in allowing her to have the power of placing Consuls at some ports, we are only acting in strict reciprocity if we confine such privileges to ports selected by ourselves.

antages offered Convention for proposed concession.

12. Assuming that your Memorialists have established the position that the abstract rule of international comity does not fairly necessitate such an unlimited concession, can it be said either that China has done anything to induce us to step over the line in her

in her favour, or that policy and a consideration for British interests require such a measure? Your Memorialists, with some confidence, submit that both these questions must be answered in the negative. The Convention gives but little to Great Britain that we did not already possess under the Treaties of Nanking and Tien-tsin, with the single exception of acknowledging the right of transhipment of duty-paid goods at Hong Kong, in transit from one Treaty port to another, upon the same terms as if transhipped at an intermediate Treaty port. The other clauses in the Convention, so far as the Chinese are concerned, are principally but renewed promises in detail to do that which, both by the Treaty of Nanking and that of Tien-tsin, they had already undertaken to do it in the spirit, if not in the letter, and these advantages are but small compared with the evil of a Chinese Consul being placed in the Colony, to avoid which your Memorialists would gladly give up any of the advantages which erroneously seem to have been looked upon as an equivalent.

Result as regards efforts by China to establish efficient revenue service.

13. The end and aim of British diplomacy in China is, without doubt, the ultimate opening up of the whole of the Empire to commerce and unrestricted intercourse with its people, and the principal reason why this is not now insisted upon is that we admit it would be hard to expect a nation to do so against the spirit of her traditionary policy until, at least, she has established a revenue service efficient enough to enable her to collect and protect her revenue along her sea-board; but your Memorialists submit that China will never take the necessary steps to create or maintain such a service, if we enable her to place a Consul here, to secure the taxation of the great bulk of the foreign trade of her people, without the necessity, responsibility, and expense of such a revenue establishment. The opposition shown by provincial Governors and authorities to any measure which, by strengthening the power of the Central Government at Peking, weakens their own irresponsible power, and menaces their corrupt gains, as the establishment of a revenue service along the seaboard would undoubtedly do, is one of the main reasons why it does not already exist, and why the Government grasp at any expedient which may even partially attain their end and secure for the Imperial Exchequer the duties and squeezes now levied bp the provincial mandarins as their own perquisite. So long as the present want of centralization in the Government, and their consequent inability to carry out Treaty obligations, exists (as they themselves allege) so long will progress be retarded, and, on this ground alone, policy should dictate a refusal to permit a Consul to be placed at Hong Kong.

14. Hong Kong has always been a free port, and, as such, has attracted a mass of Chinese traders hither, and a consequent expansion and development of trade that, but for this circumstance, would never have existed, and which sound policy would suggest should be maintained secure from that dread of oppression or subjection of their affairs to the knowledge of their own corrupt officials, which is sure to possess the minds of Chinese residents here.

Consequences of such a step to Chinese residents in the Colony.

15. If then there be no right in the Chinese Government to ask this concession, and no reason why they should get anything to which they are not entitled, and, at the same time, sound policy dictates a refusal of such a privilege, it only remains, on this head, for your Memorialists to assure your Lordship that it is the unhesitating conviction of the whole community, of all professions, trades and callings, of every nation represented here, and of the Chinese themselves, that it is no mere chimerical dread of unknown consequences that leads them so strenuously to object. As the natural outlet for the exports of the whole of the south and western portions of China, and as a free port where protection is afforded to property, and where commercial transactions are subject to the requirements of British law, while dealing with merchants of every trading Power in the world, a vast quantity of Chinese produce comes here in native craft which constantly ply between this port and the coasts east and west of the Colony, which pays such duties or other exactions as the mandarins along the coast choose to demand from their own people, and about which traders here know nothing,—every commodity having a price here regulated only by the law of supply and demand. The establishment of a Consul here, surrounded as he would be by a staff of Chinese officials and employés, would subject this trade to a supervision resulting in the levying of taxes or duties for the Imperial Exchequer, in addition to those paid to the local officials, and which the Government never get; and the result would be that Chinese traders would, instead of resorting to this Colony as their emporium and mart, go to some other place (such as the neighbouring Colony of Macao, as they used to do formerly) where no Chinese officials harass them or their trade, and thus a deadly blow would be struck at the trade and prosperity of this Colony with really no benefit to the revenue of China, for the goods would still leave China, but not through Hong Kong. It is no answer to this to say that duties would not be collected here, as the Chinese officials attached to the Consulate would obtain accurate knowledge of the goods

imported or exported by Chinese traders, and on the departure of the boat outside of the waters of this Colony, she would be seized and detained for the payment of duties or squeezes by the revnue cruizers which, even now, are trying to hem the Colony in; Chinese enterprise would be crippled here because, through their relatives, family, or property in China, all wealthy residents would be amenable to the inquisitorial powers of the mandarins; they would not dare to embark in trade, aud would soon leave the place. Your Memorialists conclude their statement as to this clause in the hope that your Lordship will not advise ratification.

Transhipment at Hong Kong.

16. The 4th clause of the Convention does not in itself exclude Hong Kong from being considered as a foreign port, but the regulations agreed to expressly say "Hong Kong excepted;" and, as goods under this section only come to Hong Kong for the convenience of shipment to foreign ports, this exception is unfair, and seems expressly intended to prevent the forwarding of goods to Hong Kong for transhipment. Sir Rutherford Alcock, however, has promised that this shall be favourably represented to your Lordship.

The word "British" in clause 5.

17. The 5th clause presses unduly on Hong Kong by confining the benefit of transhipment of duty-paid goods for a Treaty port to such goods as are shipped by British merchants; and your Memorialists have the assurance of Sir Rutherford Alcock that this was not intended, as the idea was to extend the rights to all duty-paid goods whether shipped by British or foreign merchants.

The port of Kwang-chow.

18. The 6th clause your Memorialists also look upon as inflicting a very serious and direct injury upon the trade of Hong Kong. The only Treaty port for the whole of the south and south-west of China is Canton, situated about 100 miles up a river, and neither from its geographical position, nor means of access, at all fitted to be the only channel through which the immense prospective, and vast existing trade can be carried on. At present no goods can go to any part of Hainan or the south-western seaboard, even in native craft, unless they carry a Canton duty-paid "chop" or certificate, thus compelling every buyer of cotton or woollen manufactures, opium, or other imports to go and return 100 miles each way more than there is any necessity for, practically almost prohibiting any imports from going into consumption in Hainan and the opposite mainland except those that are smuggled. This, so far from benefiting the Imperial revenue, positively causes great loss to it. It is of course just as easy for a branch of the maritime Customs service to collect Imperial duties at Kiung-Chow as at Canton, and if the port were opened the traffic would be conveyed in foreign bottoms, affording a certainty to the Customs officials of getting duties on goods which when carried in Chinese craft to ports presided over by venal and corrupt mandarins, never contribute one cent to the Imperial Revenue. If Kiung-Chow were opened, then the true interest of China would be served, and when we know that nearly the whole of the imports would flow first through Hong Kong as the natural channel between foreign countries and the vast populations of Hainan and the mainland bordering on the Gulf of Tonquin, it stands to reason that the abandonment of the port must deprive Hong Kong of a large and lucrative traffic and source of employment for her capital, her vessels, and her colonists. It is well-known (and admitted by the foreign officials of the Imperial Maritime Customs) that what was formerly a large trade, has become, owing to the edict as to Canton duty-chops, almost a nominal one, and that immediately on the opening of this port a very spirited trade would re-appear. Indeed, your Memorialists gathered from Sir R. Alcock that the abandonment of the port was agreed to by him under a mistaken impression that your memorialists were not anxious for that port to be opened, and also because he really thought that the "favoured-nation clause" in the Treaty would preserve the right to frequent the port to Great Britain if the other Powers did not give it up; but your Memorialists fear that where there is a positive abandonment of a specified right by one Power, it can only be for any future concessions that such Power could claim the "favoured-nation" right, as it has, while having the right to open the port deliberately agreed to abandon it; and it is therefore they urge most earnestly upon your Lordship that to abandon the port already conceded to us is a grave error, and indicative also of a retrogressive policy which the Chinese will readily turn to account; and they would beg most strongly of your Lordship not to abandon the port but to open it at once.

Its abandonment to be regretted.

19. Having addressed themselves to the portions of the Convention more immediately affecting Hong Kong, your Memorialists would also record their conviction that the proposed increase in the duty on opium will affect this Colony, inasmuch as, by stimulating the growth and consumption of native drug, it will lesson the import of Indian drug, a trade which entirely flows through Hong Kong in the first instance.

Opium.

20. Your Memorialists trusts their earnestness with regard to these matters will secure for their remarks an attentive consideration by your Lordship, and that you will

thereupon be enabled to advise Her Majesty that in any revision of the Treaty the objections now put forward must prevent those clauses being agreed to.

And your Memorialists will ever pray.

Hong Kong, January 21, 1870.

(Signed) S. H. DAVID.
HENRY C. CALDWELL,
and others.

No. 5.

Messrs. Sassoon and Co. to the Earl of Clarendon.—(Received March 23.)

My Lord, 15, *Leadenhall Street, London, March* 22, 1870.

WE venture to approach your Lordship on the subject of the increased duty proposed to be levied under Sir Rutherford Alcock's Convention, upon Indian opium imported into China.

2. The matter was briefly alluded to in the Memorial lately submitted to your Lordship by the merchants of London, but the consideration of it was passed over as not affecting English interests.

3. Our partner here, Mr. R. D. Sassoon, was present with the deputation which attended at the Foreign Office on the 28th ultimo, but in consideration of the length of tmie occupied by other speakers, he forbore to tax the patience of your Lordship further on that occasion, by referring to the grievance which the increased impost of 20 taels per chest, will entail on all persons engaged in the opium trade between India and China.

4. Our firm represents in this country the interests of one-third of the whole trade, and consequently we contribute about 300,000*l.* per annum to the revenues of the Chinese Government in opium duty alone, besides other large payments on a general import and export trade between England and China, so that we consider we are only discharging a duty to ourselves and our constituents, by humbly representing to your Lordship the probable effect which will be produced upon the opium trade by raising the tax from 30 to 50 taels per chest.

5. Prior to the Indian mutiny the duty levied by the Government of India amounted to 400 rupees per chest. In 1857 it was raised to 700 rupees, to meet the exigencies of the Indian Exchequer, but subsequently reduced only to 600 rupees. The immediate effect of this extra tax was to increase very considerably the production of opium in China, and as a natural result to limit the demand for the Indian drug; the production in China continues to increase year by year, and the trade with India, which has of late years been stationary, is now actually retrograding while every other branch of commerce is increasing enormously. The proposed enhancement of the import duty will of necessity add to this retrogression, and may in time not only cripple the trade, but seriously affect the revenues of India. This point will probably not have escaped the attention of the Indian Finance Minister.

6. If Her Majesty's Government desire to discourage the trade in opium, this could be at once obtained by imposing a prohibitive duty, or by other more stringent methods, but so long as the revenues of India are drawn largely from this source, we humbly submit that it is a grievous wrong to hamper the trade with such excessive export and import duties, as can only injure the Indian cultivator and merchant.

7. The London merchants have appealed to your Lordship for a reconsideration of the proposed revision of the Tien-tsin Treaty on behalf of English interests. We appeal on behalf of Indian interests.

8. We ask no special leniency towards the opium trade, but as the interest of those concerned in it have not been represented in the Memorial of English merchants, which has been so graciously received by your Lordship, we venture to express a hope that, should any modification of Sir Rutherford Alcock's Convention be thought desirable, the same consideration may be extended to Indian merchants engaged in trade with China, as your Lordship may be pleased to grant to English merchants.

9. In conclusion, we beg leave to draw your Lordship's attention to the inclosed letter on this subject, signed by "a Shanghae merchant," which appeared in the "Economist" newspaper of the 12th instant, and we can fully confirm the statement contained therein.

We have, &c.
(Signed) DANL. SASSOON AND Co.

Inclosure in No. 5.

Extract from the "Economist" of March 12, 1870.

Shanghae, December 31, 1869.

ARTICLE XII of the new Convention provides that the import duty on opium is to be increased, and the Tariff attached specifies that the increase is to be 20 taels, or nearly 7*l.* sterling per chest of 133 lbs. By the Treaty of Tien-tsin, the trade in opium was first legalized, and subjected to an import duty of 30 taels, or nearly 10*l.* per chest; but opium was expressly excluded from participation in the privilege which was accorded to all other articles of foreign origin, that, after passing the Customs, they should be freed from further taxation throughout the Empire on payment of a fixed commutation, which was settled at 2½ per cent. *ad valorem.* As the Chinese are thus at liberty to tax opium while in native or foreign hands during transit from port of entry to the interior to any extent they may find expedient, it might seem that an increase of Customs duty is but a nominal concession, and some such superficial reasoning appears to have influenced the British Minister; but, in reality, the power of the Chinese Government to levy inland dues upon opium is limited by—first, the opposition of powerful guilds, who have the trade in their own hands, and to whom the authorities look for support in the collection of the duties; and, secondly, by the difficulty of securing inland revenue upon an article so valuable and so portable as opium, when there is a powerful inducement to smuggle. An inland levy of 44 taels, or nearly 15*l.* per chest, is already in operation, and it may be taken for granted that an additional sum of 20 taels per chest, which the new Treaty concedes as a Customs impost, could not be otherwise raised.

A consideration of the ethical bearing of the opium trade is foreign to a discussion as to the effect of the proposed increase of duty, because the question does not lie between lightly and heavily taxed opium—between the encouragement and discouragement of opium-smoking—but affects solely the success of the competition between India and China for the profitable cultivation of the poppy-plant; and deleterious as opium smoking may be, the suppression of the Indian trade would do nothing towards its discouragement, for opium is now produced throughout the length and breadth of this country.

The existing circumstances of the trade show how desirable it is that the financial measures of a Government should be mainly adopted with the view to financial results, operating as equably and as lightly as possible upon the taxpayers, and that they should be intended no more for the safeguard of popular morality than for the protection of any special industry. The late Mr. James Wilson, when Financial Secretary to the Indian Government, foresaw that the high cost of opium in India would eventually lead to its extensive, and possibly to its exclusive, production in China, and he advocated a material reduction of the export duties; but he was successfully opposed by two classes—by civilians generally, who dislike novelties in finance, and by philanthropists, who, utterly failing to comprehend the true bearing of the question, thought only of maintaining a high rate of taxation upon a noxious article of trade. The consequence has been—as that able political economist predicted—that high prices have stimulated the cultivation of the poppy in China so enormously that native produce now far exceeds the export from British India, while fifty years ago in this country the poppy plant was hardly known as a subject of agriculture; and previous to the Taeping rebellion it was grown in comparatively few districts. Of late the cultivation has been so rapidly extended that one province —Szechuen—alone produces opium equal in quantity to two-thirds of the foreign supply; and in ten provinces out of eighteen the plant flourishes vigorously.

The importation of Indian kinds, after a rapid increase between 1829 and 1854, has subsequently to the latter year been gradually declining, as the following figures show:—

In twelve months,	1829–30,	the importation was	..	..	..	16,877 chests.
„	1839–40,	„	..	..	..	20,619 „
„	1849–50,	„	..	..	..	52,925 „
„	1854–55,	„	..	..	..	78,354 „
„	1865–66,	„	..	..	..	76,833 „
„	1868–69,	„	..	..	..	75,458 „

Of the entire quantity which came on from India during the period 1868-69, 32,299 chests were produced in Bombay, where the cultivation is free and the export duty is 600 rupees per chest, and the remaining quantity was grown in Bengal under Government superintendence, the Ryots receiving about 400 rupees per chest, and the Government gaining the advantage of the advanced prices obtained at the monthly Calcutta auctions. As the annual supply of Bengal kinds is a fixed one, the effect of a successful competition on the part of China opium would naturally be shown in a diminishing export from

Bombay, and in gradually falling prices of Indian drug in the China markets; and this is what is actually taking place. The exportation from Bombay compares as follows:—

In twelve months,	1866–67	..	..	..	..	..	38,375 chests.
„	1867–68	..	..	..	..	..	36,534 „
„	1868–69	..	..	..	..	..	32,299 „

The price of Malwa opium in 1865-66 averaged 680 taels, and has since gradually declined to 500 taels, notwithstanding the diminished importation, while during the same period the value of Patna has fallen from 520 to 400 taels, and is inflicting of course a a serious loss upon the Indian revenue. The foreign trade is in fact threatened with extinction; for, though Indian opium has fairly well maintained its hold in the neighbourhood of the maritime ports upon classes of smokers who are accustomed to its flavour, the cheapness of China opium is even on the coast rapidily bringing it into repute, the cost here of best Szechuen kinds being 300 taels per 133 lbs., all duties paid, while the cost of Patna, which they nearly resemble, similarly duty paid, is 450 taels per 133 lbs. If it be the policy of the British Government to suppress or gradually discourage the opium trade, even though the result should be an encouragement of the cultivation of the poppy in China, it would be an intelligible measure to increase the export duty for the benefit of the Indian Treasury; but surely it is more than unwise, it is unexampled folly, to make a concession of import duty to China without, as it would be easy to prove, the gain of more than the shadow of an equivalent.

While the Indian Government is deliberating in the midst of a serious financial crisis upon the measures best adapted to preserve the equilibrium between revenue and expenditure, and is contemplating, as is generally believed, a reduction of the export duty on opium in order to compete more successfuly with the Chinese grower, it is strange to see an agent of the British Government at Peking pursuing a precisely opposite policy by negotiating a Commercial Treaty with China, one of the principal clauses of which is a special increase of the import duty.

The Indian opium trade not only yields a revenue of 4,800,000*l.* to British India, and maintain steam communication throughout the East by the lucrative freights which attend it, but the traffic materially assists to place Eastern commerce in British hands. In the facility and cheapness with which English capital is worked is probably to be found one of the principal causes which make the British Isles the largest storehouse in the world, and an important element of those conditions as regards the purchase of produce in China is the profit in exchanges which the intermediate traffic between India and China creates. If the opium trade were to cease we should have to provide 11,000,000*l.* sterling to pay in part for tea and silk exported from China, not as now by means of a British product forwarded in national vessels, but by means of bullion purchased in the American States, and by them transmitted across the Pacific. An important link which binds Eastern trade to the United Kingdom would be broken, and another would be forged in the chain which is soon firmly to connect China with the United States. The imposition of the duty negotiated by the new Treaty with China operates as a direct protection to the native opium grower—protects in fact that which the Chinese Government ostentatiously proclaims its wish to destroy, and must eventually encourage opium-smoking by bringing the drug cheaply to the door of every peasant. It threatens to inflict a loss of 400,000*l.* upon the Indian Treasury at a period of great embarrassment, and it will deal a heavy blow at an important branch of British trade.

The entire question of the Indian opium trade, which intimately concerns the security of Indian finance, calls for anxious consideration, and the time is ripe for the discussion of it; but whatever may be the decision arrived at, justice to the important interests concerned requires that such a decision should be the result of national deliberation, and mark the adoption of an intelligible and a consistent policy of the Empire. There can be little doubt in the minds of those who have studied the subject, that the true policy of the Indian Government would be to withdraw from its present connection with opium-growing and to throw open the cultivation of the plant to the natural operation of the laws of supply and demand, a moderate duty upon exportation being imposed for purposes of revenue. An implied stigma of long standing would thus be removed from the Government of Bengal, and if I mistake not an enormous saving in the cost of establishments would be made by abolishing the offices of superintendency in the opium districts as well as the agencies in Calcutta, and leaving the collection of duties to the ordinary Customs staff.

While I leave to others the task of showing that Sir Rutherford Alcock's Treaty is in nearly every respect a pure and simple concession to the Chinese, the object of this letter will be attained if public attention should be drawn to one of the clauses of the new

Convention, which, in the midst of a financial crisis in India, gratuitously relinquishes a large portion of the Indian revenue, and prejudices the settlement of an Imperial question before a comprehensive course of policy has been considered or the verdict of the nation has been pronounced.

I am, &c.
(Signed) A SHANGHAE MERCHANT.

No. 6.

The President of the Halifax Chamber of Commerce to the Earl of Clarendon.—(*Received March* 23.)

My Lord, *Chamber of Commerce, Halifax, March* 22, 1870.

I HAVE the honour on the part of the Halifax Chamber of Commerce, to submit to your Lordship their respectful confirmation of the objections previously raised by them, and by the Associated Chambers of Commerce, to the Supplementary Convention with China; and their regret that your Lordship has not hitherto been able to accede to the wishes of those engaged in the Trade.

On behalf of my Chamber I beg therefore, with all deference, to urge that your Lordship will advise Her Majesty to withhold the ratification of this Convention, until it shall have been so amended as to give the promise of the peaceful prosecution and progressive development of mutually advantageous intercourse between Great Britain and China.

I have, &c.
(Signed) EDWARD AKROYD.

No. 7.

The Secretary of the East India and China Association to the Earl of Clarendon.—(*Received March* 25)

My Lord, *B* 8, *Exchange Buildings, Liverpool, March* 23, 1870.

I HAVE the honour to forward to your Lordship on behalf of the East India and China Association of Liverpool, a copy of resolutions which it has just passed, having reference to the provisions of the Supplementary Convention to the Treaty of Tien-tsin, lately concluded between Her Majesty's Plenipotentiary in China and the Chinese Government, the ratification of which is now under the consideration of Her Majesty's Government.

The objections to the ratification of this Convention in its present form have been so fully laid before your Lordship by the Chairman of the Committee of the London Merchants, that it would be superfluous on the part of this Association to trouble your Lordship with any lengthy observations on the subject or to do much more than pronounce, as it wishes to do, an unhesitating concurrence in the opinions expressed on the part of the London Merchants; this association would nevertheless, wish in a few words, to lay before your Lordship its views upon the general subject and to indicate wherein, in its opinion, the proposed Convention fails to meet the exigencies of the case.

This Association would wish to record its hearty approval of that line of policy which, especially since the ratification of the Treaty of Tien-tsin, would strive to strengthen the central Government of the Court of Peking and to aid it, whether it may be actuated by motives of self-interest or by a more enlightened policy than in the past, in subordinating its own local and provincial authorities to the Supreme Government of China; at the same time, when the moment arrives for a revision of Treaty arrangements between this country and the Empire of China, this Association is respectfully of opinion that Her Majesty's Government, in justice to the interests of its own subjects and the national trade, should only be influenced by the main consideration of how far the Government of Peking has in the past acted up to and enforced both the letter and the spirit of its existing Treaty obligations.

Judged by this standard and after admitting the acknowledged difficulties which stand in the way of the Central Government of Peking, this Association fails to see in the history of the last ten years that any such spirit has been evinced by the Government of China, as would justify Her Majesty's Government in making any concessions from Treaty privileges and rights, without at the same time obtaining fully corresponding advantages

in favour of its own subjects. Any concessions unless so accompanied, would be regarded only as instances of weakness, and a want of determination to maintain to the full our Treaty rights, and would inevitably lead to results the very opposite of those which Her Majesty's Government appears to hope and expect they would produce.

This Association cannot forget the sacrifices of life and treasure which the unsatisfactory nature of our former relations with China has entailed upon this country, and though it may be the case that the Chinese Government regards the stipulations of the Treaty of Tien-tsin as the humiliating result of our superior force, still this Association would, with pleasure, recall to mind the eminently equitable spirit with which those stipulations were framed by the late Lord Elgin, and venture to express an opinion that the adoption of any policy retrograde in its nature, and therefore prejudically affecting our present Treaty rights, is only calculated to bring into existence, sooner or later, further serious political complications.

It is because in view of these circumstances, this association perceives in the Convention now under consideration a revision of duties in the sense favourable to the Chinese admitted, but in the sense favourable to British interests practically ignored; because it sees that fresh obligations in the way of transit dues are incurred without any adequate security for reciprocal protection and immunity from illegal local taxation, and because the individual opportunities of increased intercourse with China are rather restricted then enlarged, that this Association hands to your Lordship the inclosed resolutions; and urges most respectfully upon your Lordship's consideration the inadvisability of ratifying the Convention, unless largely modified in the sense advocated by the London merchants and the Memorials forwarded to Her Majesty's Government by the Chambers of Commerce and other Bodies representing the important communities resident in China.

I have, &c.

(Signed) B. COOPER, *Secretary.*

Inclosure in No. 7.

Resolutions.

B 8, Exchange Buildings, Liverpool, March 23, 1870.

THAT this Association is strongly of opinion that it is inexpedient for the interests of commerce between Great Britain and China, that the Convention supplementary to the Treaty of Tien-tsin should be ratified by Her Majesty's Government, chiefly on the following grounds:—

1. That it is manifestly unjust that a revision of the silk duty should be effected on the basis of an *ad valorem* duty, at a time when the article is exceptionally dear, without a corresponding revision being made, upon the same principle, of other duties leviable under Treaty tariff.

2. That the distinction now proposed to be made by the Convention with China, between Treaty Provinces and non-Treaty Provinces, is contrary to the interests of British Commerce, retrograde in policy, and entails the forfeiture of former Treaty privileges; whilst the proposal to make the payment of transit duties compulsory instead of optional, as heretofore, is not accompanied by any sufficient security against the imposition of further local taxation, to warrant its acceptance by Her Majesty's Government.

3. That the restrictions, which have hitherto existed, in regard to travelling and settling in the interior, instead of being diminished, are rendered more objectionable than ever by the terms of the Convention.

4. That a copy of these resolutions be transmitted to Her Majesty's Secretary of State for Foreign Affairs, and to the Right Honourable the President of the Board of Trade.

CHINA. No. 10 (1870).

LETTER

TO

CHAMBERS OF COMMERCE, &c.,

RESPECTING THE

CHINA TREATY REVISION CONVENTION.

Presented to both Houses of Parliament by Command of Her Majesty.
1870.

LONDON:
PRINTED BY HARRISON AND SONS.

[C.—134.] *Price 2d.*

Letter to Chambers of Commerce, &c., respecting the China Treaty Revision Convention.

Mr. Hammond to the China Merchants in London and the Associations in the Country who have memorialized against the Treaty.

Sir, *Foreign Office, June* 9, 1870.

I AM directed by the Earl of Clarendon to state to you, for the information of the parties with whom you have acted in pressing on Her Majesty's Government not to ratify the Convention lately concluded by Sir Rutherford Alcock with the Chinese Government, that, before determining the course which shall be pursued in regard to that matter, his Lordship thinks it his duty to communicate to those parties, through you, a Memorandum which has been drawn up by Sir Rutherford Alcock since his return to this country, containing observations on the objections made in this country and in China to the provisions of the new Convention.

Lord Clarendon, however, desires me to explain that his object in communicating to you this Memorandum is not to invite any further controversy on the subject, but simply to inquire whether it alters or modifies the views already expressed by the several Mercantile Associations concerning the Convention.

I am, &c.
(Signed) E. HAMMOND.

Inclosure.

Memorandum by Sir R. Alcock on "Further Memorials respecting the China Treaty Convention."

THE "Memorials from the merchants of London and others in different parts of the country interested in the trade of China," together with the observations addressed to Lord Clarendon by a deputation on the 28th February, have already been answered in part by his Lordship in the reply given at the time. The whole of the papers, however, having been laid before Parliament by command of Her Majesty, they may become a subject of discussion at some later period of the session, and in anticipation of this it would seem desirable that the main points insisted upon by the merchants should be brought together in a more summary form and classed under distinct heads, in order that each may receive a specific answer.

Neither the Memorials in question, nor the commentaries supplied by the deputation, and subsequently by Mr. Matheson, as Chairman of the Committee of London Merchants, in a letter of the 14th March, addressed to the Earl of Clarendon, import much that is new into the discussion. In many points they differ very little from the Memorials sent by the Chambers of Commerce at Shanghae and Hong Kong. It may save time, therefore, and be more satisfactory in the end, if all the leading arguments constituting the case of the merchants both at home and abroad, as this has been presented to Her Majesty's Government, are brought together and condensed within the compass of a single document. Passing the whole in review, it will then be possible to give to each a distinct answer without repetition, or reference to the various sources from whence may have emanated statements or arguments, which though proceeding from many different quarters and modified in form, are, nevertheless, substantially the same.

The first complaint of the merchants of London is that Her Majesty's Plenipotentiary, having carefully sought the opinions of the mercantile communities in China refused to be guided by them, and in the end adopted other bases for the revision than those recommended, whence much disappointment had resulted.

Her Majesty's Principal Secretary of State for Foreign Affairs gave a conclusive answer to this complaint when he told the deputation that "Her Majesty's Government had held a very different opinion from that of the Memorialists as to the limits within which it was desirable in the general and permanent interests of our commercial relations with China to confine the recent negotiations; and that Her Majesty's Government believed the provisions of the Convention are better calculated to promote that interest than the Treaty engagements which would have more nearly secured the objects sought by the Memorialists and those whom they represent."

This disposes of the whole of the complaints under that head it is conceived. It may be added, however, that Her Majesty's Plenipotentiary was bound to ask the opinion of mercantile bodies in China, and to seek information for his own guidance and that of his Government wherever it was best to be found, but he could only take action thereon in accordance with his instructions. And as the merchants wanted, and strongly recommended many radical changes and sweeping measures—such as the introduction of railways and telegraphs, inland residence and steam navigation in the inner waters, concessions for the working of mines by foreign machinery and capital, &c.;—and Her Majesty's Government after mature deliberation decided that none of these demands could fitly form the subject of negotiation or find a place in the Convention, it followed inevitably that the bases to be adopted for the revision must differ widely from those recommended by the mercantile bodies. For this divergence and any consequent disappointment it is quite obvious the Plenipotentiary can in no way be held responsible. That we were dealing with the Peking Government on equal terms was greatly overlooked by the mercantile communities in China. It was supposed that the revision would offer chances for securing further privileges; and it never seemed to occur to them that the Chinese might take a very different view, and claim a right to profit by the first opportunity that occurred since the occupation of Peking by the allied forces, to cancel or limit the privileges previously extorted from them under pressure and as the price of peace. To negotiate under such conditions was a hard task and likely to prove a thankless one, for nothing but disappointment and dissatisfaction could be looked for as the result. So far, at least, as those were concerned for whose special benefit the revision was undertaken, this was plainly unavoidable, since they persisted in expecting that the advantages should be all on one side, and were willing to give or concede nothing in return.

All the modifications in the Treaty of Tien-tsin, or concessions in favour of trade which were obtainable by friendly negotiation with the Government at Peking after more than a year's continuous effort and discussion, together with the whole of the merchants' Memorials and statements, having been fully reported to Her Majesty's Government for consideration, the Plenipotentiary was instructed to secure these rather than to wait indefinitely for more favourable conditions of negotiation, and the possibility of obtaining at some later period more advantageous terms. The bases of the Convention signed under these circumstances, and which appear to the Memorialists to be so objectionable as to justify a protest against ratification, may best be considered under three heads, and their objections in the same order.

1. A rearrangement and simplification of the whole system of transit dues as applied to foreign trade. The experience of ten years having proved the utter inadequacy of all previous Treaty provisions, and the imperative necessity of some new effort to remove abuses which constituted the most serious obstacle to foreign trade and its further development inland, this formed the most important object of the negotiations.

2. The removal of minor obstacles, and concession of additional facilities for the increase of trade both coastwise and inland.

3. Concessions to the Chinese in a spirit of equity and reciprocity, comprised in a readjustment of Tariff duties on two articles, silk and opium, favourable to the Chinese Revenue; and facilities for a legal and reasonable supervision of the native trade between the free port of Hong Kong and the mainland, by means of a Consul resident in the Colony.

The objections taken under the first head to the solution adopted of a confessedly difficult problem which had baffled all previous negotiators*, are summarized in one of the resolutions of the East India and China Association transmitted to the Earl of Clarendon in their letter of the 23rd of March last, wherein they urge—

"That the distinction now proposed to be made by the Convention with China between Treaty provinces and non-Treaty provinces is contrary to the interests of commerce, retrograde in policy, and entails the forfeiture of former Treaty privileges;

* See Memorial of Shanghae Chamber of Commerce, dated December 31, 1869, where, speaking in praise of the Treaty of Tien-tsin, they go on to say:—"Where these arrangements have conspicuously failed, has been in the attempt to deal with the question of inland dues."

whilst the proposal to make the payment of transit dues compulsory instead of optional, as heretofore, is not accompanied by any sufficient security against the imposition of further local taxation to warrant its acceptance by Her Majesty's Government."

The assertions contained in the first part of the Resolution, that the proposed distinction between Treaty and non-Treaty provinces is contrary to the interests of commerce, retrograde in policy, and entails the forfeiture of former Treaty privileges, rest upon a total misapprehension of what those privileges are. The merchants have persistently maintained, both in regard to the XXVIII Article of the Treaty of Tien-tsin and Rule 7, an interpretation distinctly and authoritatively repudiated by the only competent authorities in such a matter—the two High Contracting Parties, the British and Chinese Governments. Neither the opinion of the Law Officers of the Crown, as to the legal and proper interpretation of those Articles; nor the equally clear testimony of the late Sir F. Bruce and Mr. Wade, both engaged as the Secretaries of Lord Elgin in drawing up the several clauses of the Treaty, as to the true meaning and intent of those Articles in his Lordship's conception, have availed to deter the merchants from reiterating a fallacy, and insisting upon an interpretation which rests upon no better foundation than their own opinion against all evidence and authority.

But Treaties are not of private interpretation, according to the interest or caprice of individuals trading under their stipulations. What the Treaty of Tien-tsin does grant in this matter of transit both Governments are agreed, and their joint decision is without appeal. By that Treaty, the importer of foreign goods has the right to sell them at the port without liability, while they remain his property, to any other duty than the import duty, or to send them to any internal market which he may select free from any other charge than the Customs dues on importation and the stipulated transit duty of $2\frac{1}{2}$ per cent. But both at the port and at the internal market, when once the goods have passed out of his hands, they are liable to bear whatever taxes or duties the Chinese administration may see fit to levy on them in common with similar goods of Chinese origin. This is the authoritative reading of the Articles in question accepted by Her Majesty's Government. The question whether foreign goods could be retained in British hands at any market in the interior without liability to such taxation has never arisen, chiefly because the Chinese authorities have generally been disposed to recognize the right of exemption from other taxation than the export, import, and transit dues as defined by tariff by British subjects for whatever goods they retained as their own; but also because, having no right of residence or storage in the interior, it was not possible for British merchants to keep any depôt of goods in the interior.

It has always been held that British ownership would cover the goods from any extra taxation wherever they might be found, and the Chinese Government have shown no desire to call this in question. It was assumed on both sides, during the recent negotiations, that such was the accepted interpretation of the Treaty, and there was no intention on either part to make any change as regarded the privileges of British merchants in the non-Treaty-port provinces. If the wording of Rule 4 of the Convention, therefore, should seem to the Law Officers of the Crown to lend any support to a different construction, nothing will be easier than to amend the wording in a declaratory note, to be appended before ratification.

And it may here be remarked, as closely connected with this part of the subject—a similar charge having been made by the Memorialists concerning a right of residence and of building, or hiring houses in the interior, founded upon a like persistent misinterpretation of the words "other places" in Article XII of the Treaty of Tien-tsin—that what the Convention proposed to effect by Rule VII was to enlarge existing privileges of residence, by giving a right not hitherto enjoyed of hiring temporary storage and dwelling accommodation anywhere in the interior, under certain conditions and restrictions as to setting up hongs and claiming exterritorial rights of protection in regard to Chinese jurisdiction over land and houses, on the ground of a British vested interest in the same.*

To this the Memorialists strongly object; and whether such restrictions were expedient and necessary, or otherwise, it is perhaps needless to discuss here. But as regards the main argument of the merchants that it is a retrograde step, and deprives them of a right already possessed, it is only necessary to observe that the same remarks apply to this assertion of right that have been adduced in the case of assumed rights of exemption from

* It is assumed by Mr. Matheson and others that this proviso gives a sanction to the Chinese authorities to lay any exceptional and arbitrary assessment on houses temporarily rented to foreigners, and on that ground. This, however, would be so plainly contrary to the intention of the rule, and calculated to defeat its declared object, that the prohibition against interference can in no way apply to such vexatious and hostile taxation. The British merchant could appeal to his own authorities at once for protection against such proceedings, as a plain violation of Treaty stipulations.

the taxation of goods in the interior, after they have ceased to be in transit, and are passing into consumption. The right claimed of inland residence has no existence, in fact; and Mr. Wade, the Chinese Secretary, who himself framed the clause containing the phrase so confidently quoted of "other places," has put on record an official declaration that no such sense as that insisted upon by the merchants was contemplated by Lord Elgin, or by himself when he suggested their adoption with another and quite different object which he has explained had reference to the stipulation about "cities and towns" in the Nanking Treaty and our exclusion from Canton.

As regards any forfeiture or surrender of former Treaty privileges and retrograde action, or anything in the distinction between the Treaty-port and non-Treaty-port provinces injuriously affecting those privileges, there is consequently no foundation for the assertions made.

In the non-Treaty-port provinces merchants may trade, should the Convention ever come into operation, on precisely the same footing and under the same conditions as heretofore, so far as foreign imports are in question, while as regards Chinese produce they are relieved from all obligation to provide themselves with transit certificates and will enjoy a protection they had not before against any surcharge, by a right to demand a refund from the Maritime Customs at the port of shipment. And this rule will apply not only to those nine provinces but to all the Chinese territories.

The advantage of so large and simple a provision for the exemption of all Chinese produce proceeding from the interior to the coast for shipment to foreign countries, is too obvious to admit of question. And seeing how great the benefit this part of the new scheme for the reform of the transit system and its abuses is calculated to confer upon all foreign trade, the silence of the Memorialists in respect to it is remarkable. The new measure is calculated to remove what had become a public scandal—the sale on the part of foreign merchants of the transit certificates to cover native produce never destined for shipment to foreign countries—at the same time that it rectifies a *palpable* defect in the Tien-tsin Treaty arrangement, namely, an invidious distinction in favour of the foreigner and against the native dealer in the transport alike of Chinese produce and foreign goods from one province to the other. This not only created a *temptation* to the foreign merchant to sell his Treaty privilege to the native dealer, to enable the latter to defraud the Inland Customs administration by trading under privileges reserved by Treaty for the foreigners exclusively, but involved an interference with the whole inland trade and revenue of the Empire which rendered the system established by the Treaty of Tien-tsin unworkable and null in effect. In some places transit certificates, as in Chekiang, were for the most part respected by the Chinese authorities, and the result was a large traffic in these certificates by unscrupulous foreigners. In other provinces the authorities less easily imposed upon, or more doubtful of the genuine character of the certificates presented and their value as evidence of ownership in the produce covered by them, either questioned their validity, or quietly put them aside until their claims for barrier and other charges were fully satisfied.

It is very well known that, under this system, and all the abuses to which it gave rise on both sides, there have been constant complaints and recrimination; and the practical result has been that tea and silk and other Chinese produce, proceeding to the Treaty ports for shipment to foreign countries, have been wholly without protection, while the provincial authorities have taxed them according to their pleasure or their wants. All the evils of a vicious system of taxation cumulated upon articles so dealt with. The taxes levied were variable in amount, and eminently uncertain in their incidence according to time, place, and the caprice of an irresponsible official. The amount of taxation in different seasons and provinces could never be known in advance, and its only limit seemed to be the amount of resistance the native dealers could offer. The attempt under the Treaty of Tien-tsin to rescue Chinese produce destined for foreign countries from this irresponsible and unlimited power of taxation, having proved unavailing by any scheme for distinguishing the foreign from the Chinese interest, it became imperative to devise some other means of protecting such portion as should ultimately enter into foreign trade from any overcharges over the $2\frac{1}{2}$ per cent. fixed by Tariff. The method proposed by the Chinese themselves is to repay whatever amount may have been so levied in the transit of such produce through the provinces to the Treaty ports without interfering with the provincial administration under which such levies are made, or attempting to make any distinction, so far as the levy of duties on Chinese produce is concerned, between produce destined for native and for foreign markets. And the machinery by which this twofold end is to be secured—non-interference with the provincial levy of duties, and ultimate protection to the foreigner from surcharges over the Tariff rate—is of the simplest kind. Each native trader in Chinese produce, if sending it down to the coast with the intention

of selling it for the foreign market, can provide himself with a blank form, procurable at all the maritime Customs, on which, whenever a tax or barrier charge of any kind is levied, the amount is to be inserted by the official demanding it, and payment is at once to be made without further question or demur. If the produce ultimately passes into foreign hands for shipment abroad, the production of the form with the entries is all the voucher the foreign shipper requires to obtain immediate refund of all in excess of the rate fixed by Tariff. If retained for native consumption then there is no refund.

The only chance of failure, or impediment to its perfect success, would seem to lie in the possibility of some of the barrier and inland Customs charges which have pressed so grievously upon all the springs of mercantile activity and checked the natural growth and development of trade — being altogether arbitrary and unsanctioned by the superior authorities, who could alone legalize them. In that case, it may be assumed that those fattening upon such illicit gains will be slow to give written evidence of their exactions by which they might be convicted, should inquiry be set on foot by the Imperial Customs which will have to provide funds to make good any surcharge.

This, which is the only difficulty that can reasonably be anticipated, may possibly give some trouble in the beginning. But if the Central Government at Peking really desire to carry out the Convention, of which the transit duty system is the most important feature, those best versed in the relations of the Tsungli-Yamen with the provincial Governors and administration generally, feel confident in the result. And that they do honestly desire its being carried into effect, they have given some proof in having spontaneously agreed to, and in part elaborated the revision adopted. As a further guarantee of execution there is the knowledge that its adoption would relieve them of a constant source of reclamation and embroilment with the Treaty Powers, and be otherwise beneficial to their interests taken as a whole.

If these guarantees of success do not suffice to give confidence in the wisdom and practibility of a measure as simple in its machinery as it is comprehensive in scope and design, there can be very little hope of better success for any negotiations that may be undertaken hereafter with a similar object in view.

The objections of the Memorialists have indeed been concentrated on that part of the new system which deals with *imports*. Inasmuch as they foresee a prospect of great benefit from the mode proposed of dealing with the exports, and have nothing to pay or to risk in return, they have apparently thought it unnecessary to offer any comment. Whereas, with regard to imports, their chief objection lies in the fact that a payment of the transit duty of $2\frac{1}{2}$ per cent., heretofore optional, is now made compulsory,—and is not, in their opinion, accompanied by any sufficient security for the protection promised. In other words, they fear a continued surcharge on their goods, notwithstanding such payment may be made as a commutation for all taxes and duties of whatever kind or denomination as the Convention stipulates.

It has been already admitted by the merchants at Shanghae and elsewhere that, given this security, the proposed arrangement would be the greatest boon to foreign trade. The whole question, therefore, resolves itself into one of security for execution. Lord Clarendon has already made answer to this objection, enumerating four different grounds of confidence and security which can be shown to exist. Collectively they form as complete a guarantee as any Treaty with an Eastern Power can well be susceptible of, apart from military occupation and other coercive means.

The Chinese have, in the first place, freely entered upon this agreement, after mature consideration and long discussion. They have various and important interests engaged which they are fully convinced will best be advanced by such a Convention. It is in the power of Her Majesty's Government at any time to demand a further revision of the stipulations of the Convention if they find that, in this matter, there is any want of execution on the part of the Chinese administration and a consequent failure in the results. These conditions, it is firmly believed, do offer a sufficient security against the perpetuation of the evils from which so much has been already suffered under the existing regulations; and more especially against the levy of *Leking* taxes throughout the nine provinces which has alone sufficed to dwarf all trade in foreign goods, and restrict their consumption to narrow limits.* As matters stand at present, the merchants have no protection against the levy of duties inland, and even within the limits of the Treaty ports, upon foreign

* See, in confirmation, the "Memorial of the Merchants and others in London interested in the Trade with China," page 4, in Parliamentary Papers on China, No. 4, wherein the Memorialists declare that "British manufacturers have hitherto done little more than reach the outskirts of this vast territory (alluding to the great valley of the Yang-tsze and Hoang Ho). To the people beyond, their heavy cost becomes nearly prohibitory, owing partly to charges of transmission, but mainly to multiplied local transit dues levied at successive barriers on the way from the port to the interior, and to other internal taxation." It is true, the same Memorialists contend, that nothing has been done in the Convention to abate these evils; but that is precisely the point in debate.

goods which have passed into Chinese hands,—not of 2½ per cent. but of 20 or 100 per cent.* Looking, then, at the question from a practical point of view, would it not be considered by merchants anywhere else as well worth the possible risk of paying 2½ per cent. in vain, under any reasonable prospect or hope of being freed from liabilities ranging as high as 100 per cent. ? More especially if assured that, should the promise prove to be illusory, their Government would be in a position to put an instant stop to the small compulsory insurance. If the proposed scheme, however, should be carried into effect, British merchants may not only reasonably expect such exemption from surcharges, but the demand for their textile fabrics to be quintupled within a few years. All that is required for this last is really to open the nine provinces by relieving the goods of an uncertain, fluctuating, and always onerous taxation. This the Convention promises to do, and the merchants refuse to put any trust in them. But what do they risk in giving it a fair trial? The chance of paying compulsorily, as an experiment and for a time only, a duty of 2½ per cent. on their goods which, if left to their option, they might otherwise elect not to pay. Well, but do they not habitually venture a small risk to secure the reasonable chance of a large return? And if this be a rule of commerce where is the force of their objections to this clause of the Convention? That there is a certain payment or outlay without a perfect certainty of the large and ever increasing returns in prospect? But this is to demand what neither trade nor Treaties can ever give.

At present, under the Treaty of Tien-tsin, the British merchant is entitled by payment of a half duty rate of 2½ per cent. to have all his imports protected while in transit to any place in the interior from further charge if they continue his own property, not otherwise; and any Chinese produce he may have purchased in the interior in like manner, protected by a transit certificate to the port of shipment.† But in effect neither foreign goods nor Chinese produce are so protected. Various barriers and other charges are levied upon both *in transit,* even when certificated under pleas of Chinese ownership: and whenever the foreign goods pass into Chinese hands for consumption they are legitimately subject to leking and other duties in like manner as other similar goods of Chinese origin. And these, always uncertain as well as onerous, far exceed in amount the tariff rates, and constantly increase with the distance from the point of departure.

The Convention stipulates for the most absolute freedom from any kind of duty-charge or taxation throughout the nine Treaty-port provinces for all foreign *textile fabrics* —the bulk of the import trade—irrespective of ownership, and whether in Chinese or in foreign hands—including in this exemption the ruinous leking tax, and all town or municipal dues to which, by the Treaty of Tien-tsin, they have been authoritatively declared to be liable, however injurious or excessive the amount, as soon as they cease to be the property of a foreigner, or pass into Chinese hands for consumption. And for Chinese produce exported in like manner, relinquishing all attempt to interfere with the fiscal arrangements of the provinces by discriminating between Chinese and foreign-owned produce, a simple arrangement has been adopted by which the foreign exporter may readily and certainly recover from the maritime Customs at the port of shipment whatever shall have been levied in excess of the stipulated tariff rate of 2½ per cent.

The condition of such large simplification in the modes of procedure, and the renunciation on the part of the Chinese of their acknowledged right of taxation for State or Municipal purposes to an unlimited degree in respect to all native articles or produce before they have passed into foreign hands, and on foreign goods after they have left foreign hands to pass into consumption—very lucrative sources of revenue to them, but most injurious to the interests of foreign trade—is the compulsory payment of the already established transit due of 2½ per cent. on all textile fabrics. And what merchant capable of a sound judgment would hesitate to close with such an offer if he saw any reasonable prospect—not security —that by such payment his trade would escape all arbitrary, uncertain, and irresponsible taxation? The whole question turns, therefore, upon the existence of such reasonable prospect. It will be for Her Majesty's Government to decide on which side lies the weight of evidence as to the probable result. The deliberate opinion of Her Majesty's Plenipotentiary on this point has already been recorded, and he is firmly convinced if the

* See, in further corroboration, "Memorial of the British Merchants at Amoy," Parliamentary Papers, pages 319. 320. They say:—"Leking Taxes.—It is impossible to express ourselves too strongly on the subject of these illegal exactions." And, again: "We are prepared to prove that these taxes range from 4¾ per cent to 90 per cent., and that under this heavy incubus our trade has materially diminished."

† That the merchants contend for a different interpretation of the rights secured by Article XXVIII of the Treaty of Tien-tsin, and Rule 7 appended to the same has already been shown. But these are the conditions of trade, as determined by the only authoritative reading of existing Treaties. There are foreign merchants, it is true, in China: British and others who, contend, nevertheless, that both foreign goods and Chinese produce, *not foreign owned,* are entitled to the protection of transit certificates,—besides insisting upon that protection extending to exemption from all inland taxation whatever,—and have acted accordingly, by setting transit certificates for Chinese-owned goods and produce; but that does not prove that the Treaty gives any such rights.

arrangement contemplated in the Convention be rejected, it will be very difficult, not to say impossible, to obtain any hereafter equally liberal. The merchants in China will in that case be the first to suffer, but a serious loss will also be inflicted on British trade with that Empire.

Some objection has been taken to the proposed arrangement, on two very opposite grounds. First, that it involves so large a concession of sovereign rights of taxation on the part of the Chinese, of which they have hitherto been very tenacious, that it cannot be sincere.—Whence it is inferred, that they must either contemplate the evasion of the stipulations, or indemnify themselves in some other way at our cost. Secondly, that it is inexpedient to adopt two different principles in the Treaty and non-Treaty port provinces; and as regards the latter, that it is unfair to them, since it deprives them of their proper share of the transit dues.

As to the first objection, it may be enough to say that, although giving up any further rights of taxation, this has been in the nature of a friendly compromise, in which the interests of the Chinese Government and the provincial revenues have been amply provided for. The Central Government will obtain security for the receipt of a much larger amount of transit dues than has hitherto been obtained; and as seven-tenths* of this go to the provinces, they in like manner will receive a much larger share than they could possibly secure by their own imperfect and corrupt administration. Finally, as regards the non-Treaty port provinces, which, by the arrangement under the Tien-tsin Treaty, received no part of the transit dues paid at the ports on foreign goods, they will now by the necessity of taking out and presenting certificates for all goods passing their boundaries, be enabled to claim upon these of the Treaty port provinces a refund of their proper quota, such certificates showing what proportion enters each province.

Passing on to the changes proposed under the second head,—removal of minor obstacles to trade and grant of increased facilities,—the only objections offered to these take the form of comments of a depreciatory character as to their value in a commercial point of view, or else bolder assertions that the concessions enumerated had already been secured by former Treaties.† Of the latter, it may confidently be stated that the Memorialists are entirely in error, and cannot show any plausible ground for such assertions, except—as in the case of right of inland residence and exemption of foreign goods from municipal or other taxation when going into consumption,—by assuming an interpretation of Treaty clauses entirely repudiated by the two Governments,—the sole judges and arbiters in such questions when both are in accord.

As to the value of the concessions and increased facilities which the Memorialists are disposed to hold so cheap, a simple recapitulation of these may furnish almost a sufficient answer. What do the Chinese propose to concede?

1. To the Colony of Hong Kong, the same facilities for transhipment as if it were a Treaty port, and to allow its vessels to share in the coasting trade of all China, but not to stamp Chinese produce *Foreign*, by the mere fact of its transhipment from thence with a view to give it a privilege under Transit Certificate never intended by Treaty.

2. Two new ports, one of which would open a whole Province to British goods exempt from all local taxation, and the other by forming a link on the coast between Ningpo and Foo-chow, would materially contribute to establish what has long been wanted —a line of steamers and regular communication between the two great tea-shipping ports, Shanghae and Foo-chow. Wen-chow further opens a short way to valuable tea districts and a new centre of distribution for British goods.

The Memorialists urge *per contra* that more ports are not wanted, but access into the interior and to Ichang, Chunking, &c., on the Upper Yang-tsze. And further, that in regard to the two ports to be opened, one half of any advantage is to be deducted, because the Convention gives up the right to trade at a port in the Island of Hainan, Kung-chow, where a valuable outlet for foreign goods might have been found. This valuable port, it is to be remarked, has not hitherto in ten years presented such prospects as to induce any

* The Central Government has never taken more than $\frac{4}{10}$ths of the import and export maritime duties for their own use, and $\frac{3}{10}$ths of the transit dues. The rest goes to the Treasuries of the Treaty port provinces, as a contribution to their respective budgets to meet their expenses.

† See "Memorial of Merchants and others in London interested in the Trade with China," Parliamentary Papers, page 2, where it is asserted that "ship-building materials of foreign origin have hitherto been admitted free of duty, under the heading of 'Ships' Stores,' specified in the Treaty of Tien-tsin, though now to be restricted to such as are used for repairs only, a restriction likely to lead to much difficulty and dispute." How far such a statement is from the truth may be seen by reference to the before-cited "Memorial of the Merchants of Amoy," where they say, under the head of "Dock Material,"—"The duty upon wood, copper, yellow metal, and all such articles, is very heavy indeed," and pray that it may be removed. A special Memorial to the same effect had previously been sent to the Plenipotentiary by the dock-owners. So far from any restrictive action, the article cited in the Convention is largely and entirely remissive.

one of the Treaty Powers to incur the expense of establishing a Consular Agent there, without which no trade could be legalized. To relinquish a right of residence, which in ten years has failed to tempt any foreign power to take the trouble of testing its value, can hardly be deemed an error as regards the interests of trade. No doubt, could this port have been opened in conjunction with the port at the head of the Gulf of Tonquin, by which the Province of Kwantung might have been reached and its resources tapped from the south, something like a circle of trading operations might have been established with Hong Kong for a centre, whence advantages might have resulted to the latter place especially. A good deal of trade, more or less irregular and of a smuggling character, has long existed between the Colony and what is called the "West Coast." Such an opening of ports might possibly have enlarged this, while legalizing it,—but the result, besides being doubtful, was unattainable because the Chinese would not consent to open the necessary port in the Gulf of Tonquin.

3. The modification as to tonnage dues in Article VII would have the effect of enabling vessels trading to Batavia, Bangkok, Singapore, Malacca, and Penang, to profit by privileges hitherto limited to the Amoor, Japan, Hong Kong, Manila, and Saigon, the value of which can hardly be denied.

4. Article VIII gives a discretionary power to lessen the fine of 500 taels, fixed by the Treaty of Tien-tsin for false manifests without any regard to extenuating circumstances or the possibility of obtaining the amount from masters of vessels on conviction.

5. The framing of a Commercial Code in consultation with England would supply a great want in China, besides paving the way for greater reforms in the same direction of immeasurable importance.

6. Article XI engages the Chinese to refund *in cash* duties paid on foreign goods re-exported in three months, and extends from one to three years, the limit within which the merchant may claim a drawback. The latter privilege, though existing by the Treaty of Tien-tsin, had been abridged to one year, and practically lost.

7. A larger concession has been made by Article XII than has, perhaps, ever been obtained from an independent country: an unlimited right of access and trade, not only along the whole 1,500 miles of coast, but of navigation throughout the inland waters of China. Instead of being grateful for so large a privilege, the merchants feel themselves aggrieved that there should be any conditions or limitation as to the class of vessels employed and the flags they fly. They will not be satisfied with anything short of an unlimited right of steam navigation through all the inland waters of China, with exterritorial privileges;—and in their anger at the refusal to grant this, they treat the concession as perfectly illusory and valueless. It can, however, only be the latter, if foreign merchants do not seek to utilize the right it gives. Mr. Matheson, in his letter to Lord Clarendon, denounces any restriction as to the use of steamers as humiliating, and assumes that the Article in the Convention sanctions a virtual prohibition for all time. It is already on official record, however, that, in the recent negotiations, the Chinese Government declared themselves ready in future to allow the British merchant to compete on equal terms with the native dealers, and they had already issued an Imperial Decree, sanctioning and encouraging Chinese subjects to build steamers, and employ vessels constructed after foreign models. The prohibition to the foreigners of the use of steamers in the inland waters, is only in force therefore so long as the natives fail themselves to build or employ steamers for the transport of goods and passengers—and it was surely all-important to secure a concession of so comprehensive a character and great prospective value, however trifling might be the immediate advantage. But is the advantage, even in the present, so utterly without value as the Memorialists would have it believed? How can a measure that opens up the whole coast of China, and all the intermediate ports between those hitherto opened by Treaty, be treated as of little value by any one practically aquainted with the trade of China, and the large share foreigners have already monopolized of the native coasting trade?

8. Under Articles XII and XIII, there is a long list of concessions and facilities besides this of inland navigation, which, as above stated, opens the whole seaboard to foreign shipping:—

Bonded warehouses; a steam-tug on the Poyang Lake, more important as an initiatory step than the Memorialists see; remission of bonds on re-exports of tea in the Yang-tsze ports; reduction of duty on export of native coal in the southern ports. The exemption of foreign coal and guano from duty; remission of duty on foreign grain re-exported; exemption from duty of all materials used by British subjects in docks for the repair of vessels; a further enlargement of the free list of ships' stores and goods for household use; a reduction of duties on all, or nearly all, the articles enumerated by the Shanghae Chamber

of Commerce; and finally, an engagement to open coal mines at two or three places south of Tien-tsin and Chefoo, with an understanding equally on official record, that these shall be efficiently worked with foreign machinery and engineering skill.

The merchants of China may declare all these increased facilities for trade pointing in so many directions to old obstacles removed, or new openings gained for commercial activity of little value, and the merchants in London and elsewhere interested in the trade of China may re-echo the cry. But it is difficult to conceive the great body of practical men interested in the larger field of British commerce, with Imperial interests all over the world, confirming the judgment of the smaller section, with localized feelings and interests. Whatever may be the true value to be assigned to these concessions, taken either individually or collectively, it may be confidently asserted as capable of demonstration that no country or Western Government has ever before made such liberal concessions to foreign trade. In how many countries it may be asked, Are all goods and stores for personal and house consumption of foreigners—all ship and dock stores, admitted duty free? In how many Western States are foreign ships allowed to share in the coasting native trade without differential duties, or in the right of navigating all inland waters? Apart from the rights of exterritoriality, which may be held to be something exceptional and only to be exacted in dealing with Eastern Powers, it may yet be asked in how many European States is there perfect toleration in religion, and freedom to teach any creed or faith, however subversive of existing religions, institutions, and forms of worship? Or, lastly, to go back to material and commercial interests, in what country is there a Custom-house Tariff so moderate in regard to foreign trade as that of China?

It is in presence of these plain evidences of liberality, of which the Convention is the latest proof, adding a long list to those already cited, that the Memorialists, in China and in this country, have appealed to Her Majesty's Government with complaints and protests against the ratification of that instrument on the ground that it curtails or forfeits valuable privileges previously secured, and that the concessions made in other respects fall so far short of their wants and legitimate desires as to be not worth acceptance.

Her Majesty's Government will now be in a position to form a definitive opinion as to the value of the statements made in support of both these charges, and the weight to be attached to the arguments employed in support of the conclusions so strenuously urged by the Memorialists.

There only remains for consideration the modifications introduced by the Convention under the third head. The increase of duties on silk and opium, and the right to appoint a Consul at Hong Kong.

The London Memorialists and deputation of merchants, followed by Mr. Matheson, dispute the estimate made as to the actual rate and incidence of increase, and argue that the increase on silk, taking export and transit duties both into account, is greatly in excess of the average stated, besides being inequitable in the absence of any general revision of Tariff, and sufficiently heavy to make itself seriously felt to the detriment of trade.*

Merchants actually engaged in the trade should have the best means of estimating what will be the practical effect on price, and the other conditions of profit—supply and demand. Nevertheless, looking to the frequent errors which those on the spot have so frequently and unmistakeably committed to their own grievous loss in estimating the probable results of variations in all these elements of trade, and in this one article of silk—it would almost seem that those who are not merchants may be excused if they do not place implicit trust in the estimates formed by the latter or in the infallibility of their judgment,—however this may run counter to the generally received axiom that every man knows his own business best.

Without entering into any close analysis of the facts and arguments on which the Memorialists rest their adverse judgments, it seems only necessary to observe, that, taking the figures given by Mr. Matheson and others as representing the proportion the proposed duty would bear to value under the worst conditions, the inference drawn

* Compared to the Customs Tariff prevailing in nearly all other States, an average of 5 per cent. is nearly equivalent to Free trade. Tea and opium excepted, which pay a duty on an average—the first of 12 per cent. and the second of 7 per cent.—increased under the Convention to about 12 per cent.;—nearly all the articles entering into foreign trade are rather below than above the average of 5 per cent. Compare this with the Tariffs in Europe—the United States of America or our own Colonies, and the difference is striking, and altogether in favour of China. We ourselves tax tea at the rate of 50 per cent. in England, and opium at rates varying from 200 to 300 per cent. in India. And what is the rate of taxation on tobacco here, and in all the countries of Europe? It is further to be remarked that tea and opium were never included in the scheme of a 5 per cent. duty. In the Tarif of the Treaty of Tien-tsin there was a fixed sum determined upon, in each case above that average.

by him is altogether inconclusive, because he takes no account of other and still more important factors.

This increased duty on silk, be it what it may, is only part of a whole. In connection with this increase of 2 or say 3 per cent. on an article previously taxed much below the Tariff rate of 5 per cent., and in such demand, that the price for a series of years has been steadily rising, there are provisions designed to insure the transmission of both silk and tea to the ports under much more advantageous conditions as to immunity from surcharge than has hitherto been attainable. On the most moderate computation of the multiplied taxes and charges to which either of these staples of our export trade have been subjected under the Treaties of Nanking and Tien-tsin, it must be allowed as indisputable that these very greatly exceeded the highest rate of duty the proposed increase of 10 taels would make. Silk, therefore, to say nothiag of tea, should reach the foreign exporters' hands at the port of shipment at a reduced price, in which case, the consequence of imposing this increased rate would be to relieve the merchant of a portion of the existing taxation, cheapen the first cost, and by so much increase his profit and improve his trade. In answer to this all the merchants have to say is, that they do not believe in the efficacy of the measures proposed for their exemption from all surcharge on the $2\frac{1}{2}$ per cent. transit dues. To which it may be replied experience can alone determine this, and any risk they may think they run is not by any means disproportionate to the benefit promised. In point of fact, it is very much less than they habitually and cheerfully accept in the regular course of trade.

Of the probable effect of the increase of duty on opium, and the various influences at work calculated to bear very injuriously upon the trade with India, it is unnecessary to enter here, the whole subject having been treated exhaustively elsewhere. One or two observations may not, however, be altogether superfluous. It has already been remarked how entirely the Memorialists overlook the undeniable fact that, in any revision of Treaty engagements with China at the present time, the Chinese Government have the same right to prefer claims for the withdrawal or limitation of privileges that the British Government has to demand the extension of those conceded by the Treaty of Tien-tsin under such different circumstances. The merchants complain of an increase of 3 per cent. or 5 per cent. on an article of luxury, but very moderately taxed, to the admission of which in the Tariff *on any terms* the Government and all the ruling classes of China *strongly object*. Suppose for a moment that they asserted their indefeasible right to prohibit its importation altogether? Are the merchants prepared to maintain a right on the part of Great Britain or any other foreign Power to force them to admit it, and to make war upon them with that object if they refused? Because, unless they are so prepared their objection to an increase of 3 per cent. on the existing rate of duty in presence of a demand for the total prohibition of the article can scarcely be regarded as very reasonable, apart from the consideration of our own excessive taxation of the same article. The Chinese Government throughout the negotiations have urged their willingness to give up all revenue from this source, and the strongest desire to have the importation of foreign opium stopped altogether. Would the Memorialists have preferred this issue to a moderate increase of duties which under no circumstances could equitably have been resisted?

Finally, as regards the appointment of a Chinese Consul to reside at Hong Kong. The Colonists object very strongly, on the ground that he will be an instrument of oppression, and his presence will tend to drive away trade and Chinese residents, by the power he can exercise over their relatives and connections on the mainland. Mr. Matheson who endorses this opinion in the name of the Committee of London merchants, denies, or does not see, that the Convention gives, if not all, some of the most important of the privileges of a Treaty port to Hong Kong, placing it on the same footing as to transhipment and coasting trade. And while admitting as a regrettable fact the existence of a contraband trade with the mainland—"owing to the corruption of the Chinese officials on the coast" he repudiates any obligation or responsibility. It is probable the Chinese authorities and Government, who estimate that they lose annually some 500,000*l.* sterling of revenue by this irresponsible proximity of a British free port at the mouth of one of their great rivers, attribute the fact to other causes besides the corruption of their officials on the coast, without in the least denying that such corruption may contribute its aid. At all events, if as Mr. Matheson suggests, it is not any part of our duty to prevent an active contraband trade between the Colony and the mainland, he testifies to "the Chinese Government being clearly entitled to adopt any measures for that purpose on their own territory and in their own waters which they may find to be necessary." The Treaty of Tien-tsin has also recognized this right in the most unequivocal manner. But the Committee must have forgotten that, as late as last year, when the Viceroy of Canton acted upon this conviction, and strictly within the limits indicated so far as the plan of

operations was concerned, and in a way fully sanctioned both by Treaty and international law, by placing coastguard stations on the mainland—as we do in England—and employing revenue cruizers to enforce the revenue laws, there was a very loud cry of indignation from the mercantile community and residents of Hong Kong, and some very strong denunciatory language was put into print, and otherwise officially communicated both to the Viceroy at Canton and Her Majesty's Government by the constituted authorities of the island.

From this, and all past experience, it was concluded that the only choice lay between honestly co-operating with the authorities of the mainland and giving them the means, in accordance with international usage, of exercising a perfectly legal and reasonable degree of surveillance over the trade carried on by the native vessels sailing from Hong Kong,—or leaving the Chinese Government in the exercise of an undoubted right to "adopt any measures for that purpose in their own waters and on their own territory which they might find to be necessary." And judging by the spirit shown in the Colony, and having regard to the measures the Chinese Colonists and traders were likely to take, under the shadow of British protection, it seemed very certain that any measures of the Chinese authorities to be effective must be very stringent, and backed by force. Under such conditions a state of constant conflict was likely to result by which the interests of Hong Kong, were certain to be deeply affected, and many irregularities and abuses on both sides could hardly fail to crop up. It certainly seemed, under these circumstances, the wiser policy to choose the former alternative. It promised better for all the legitimate interests of Hong Kong; and if open to some abuses,—whatever these might be, they were likely to be much less serious and more easily dealt with than those certain to arise with much attendant violence and bloodshed in perpetual conflicts between smugglers and a fleet of revenue-cutters and steamers, well armed and commanded by Europeans. If the objection against the appointment of a Consul, that it is liable to abuse be valid, do the merchants of Hong Kong conceive Chinese opium stations on the mainland opposite, and revenue cruizers in the neighbouring waters under Chinese officials—the other alternative if the Chinese Government are resolute in the enforcement of their rights—likely to be more exempt or less injurious in their influence upon the population and trade of Hong Kong? And if not, and they equally object to both, what remedy do they propose for a state of things highly injurious to their neighbours, and not very creditable to a British Colony? A state of affairs, be it remarked, that the Chinese authorities declare cannot last, and must be amended.

After thus passing in review all the principal arguments and objections of the Memorialists, the whole matter in debate may be summed up in very few words.

The merchants desired certain great things which however desirable from their point of view, or in the interests of commerce, both the Government at Peking, and their own negatived, as being either inexpedient or wholly impracticable under present circumstances. The Chinese Government, on the other hand, were equally anxious for the attainment of certain great objects which they believed to have a very material bearing on their country's well-being, and their own security. Among others, the restriction of missionary operations to the Treaty ports, the prohibition of opium, the renunciation of exterritorial privileges, a general revision of the Tariff in a sense favourable to the Chinese revenue, and the abolition of merchant Consuls. These, they were told, could not be conceded, and they had to accept the decision. A revision of the Treaty of Tien-tsin, effected under such conditions, could hardly fail to be more or less unsatisfactory to all earnest advocates of great changes on either side, since it started with a negation of the principal objects of desire with both. But the result has proved, that it was easier to induce the Chinese Ministers at Peking to accept their disappointment, and move forward in the path of progress, than to persuade British merchants interested in the trade with China, to rest satisfied with anything short of their demands. Much of this is of course due to a very natural and deep distrust on the part of those engaged in Chinese trade. They doubt the possibility of obtaining from native officials a strict observance of any Treaty stipulations, more especially if these are of a nature to affect their pockets and sources of revenue. And that they have had abundant ground for this feeling, no one conversant with China or its provincial administration, will be disposed to dispute. But neither can it be denied that such a feeling is very apt to overshoot the mark, and unless kept within reasonable bounds, is calculated to render negotiation impossible. To take it for granted that no Treaties will be binding, and that there must inevitably be a total absence of honest execution or good faith, is to undermine the whole ground on which Treaties are framed, and to establish the inutility of making any at all.

Something, therefore, must be assumed as a foundation in the shape of good faith, and a desire to give execution to the stipulation of Treaties, or no State would ever enter

into Treaty engagements; and the civilized world must lapse back into barbarism and nations into total isolation. The case of the merchants *v.* the Convention, therefore, plainly stands thus:—They say, the advantages which the Convention proposes to secure, are too problematical in some directions, and too insignificant in others, to make it worth their while to incur the certain cost in a compulsory payment of a transit duty of $2\frac{1}{2}$ per cent. and an increase of duty on silk and opium, together with the inconvenience of a Chinese Consul at Hong Kong. Such being the price of the prospective advantages, they decline to enter upon the speculation. If left to themselves they would rather wait for some better terms, however remote the chance of securing them.

Her Majesty's Government has already said they do not agree with the merchants either in their estimate of the value of the concessions obtained from the Chinese, or the improbability of their being acted upon in good faith, and of large prospective benefits being the result. But it may still be a question whether with this irreconcilable difference of opinion, it is desirable to force even an advantageous arrangement upon merchants against their will, which was entered upon solely for their benefit, and with a view to improve their position, and develop the trade in which they are directly interested. That is a question for Her Majesty's Government, weighing the probable consequences of any rejection of the present Convention—its effect on the Peking Government, and its bearing on future attempts to improve our relations.

May 3, 1870.

CHINA. No. 10 (1870).

LETTER to Chambers of Commerce, &c., respecting the China Treaty Revision Convention.

Presented to both Houses of Parliament by Command of Her Majesty. 1870.

LONDON:
PRINTED BY HARRISON AND SONS.

CHINA. No. 5 (1871).

CORRESPONDENCE

RESPECTING THE

REVISION

OF THE

TREATY OF TIEN-TSIN.

Presented to the House of Lords by Command of Her Majesty, in pursuance of their Address dated March 24, 1871.

LONDON:
PRINTED BY HARRISON AND SONS.

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RETURN to an Address of the House of Lords, dated March 24, 1871;
for—

"Copies or Extracts of Correspondence relative to the Revision of the Treaty of 1858 with China."

No. 1.

Sir R. Alcock to Lord Stanley.—(*Received August* 13.)

My Lord, *Shanghae, June* 10, 1867.

I HAVE the honour to inclose copies of Addresses presented to me on my recent visit to the ports from the British mercantile communities at Chefoo, Kew-keang, and Chin-kiang, together with the observations I made in reply to the deputation which presented the Kew-keang Address. I shall be glad to learn that the general tenor of the latter is approved by your Lordship, as they touch on matters of general policy of great importance in connection with any future revision of the Treaty.

I also take this opportunity of inclosing printed copies of a Circular addressed to Her Majesty's Consuls on the subject, which I also trust may meet with your Lordship's approval.

I have, &c.
(Signed) RUTHERFORD ALCOCK.

Inclosure 1 in No. 1.

Address from British Merchants at the Port of Chefoo.

To Sir Rutherford Alcock, K.C.B., British Minister Plenipotentiary in China, &c.

May it please your Excellency,

WE, the undersigned British merchants in Chefoo, beg most respectfully to approach your Excellency at this your second visit to our port and desire to testify the gratification we feel at seeing Her Majesty's Representative here amongst us.

We cannot help thinking that your Excellency in coming to Chefoo is fulfilling the high and honourable mission confided to you by our Sovereign Lady the Queen, of protecting the interests of British commerce in this part of China, and that you are desirous to be informed of the position and prospects of British trade here.

We are, therefore, emboldened to submit to your Excellency some observations which we trust will be deemed of sufficient interest to be worthy of your consideration.

Bearing in mind that the object of our presence and commerce in this Empire is best furthered by the maintenance of friendly intercourse with the natives, we have much pleasure in assuring your Excellency that in our commercial and other dealings with the Chinese of this Province we have to record amicable and considerate relations with all those traders with whom we come in contact.

A mutual confidence between the native dealers and us has been cemented, which we have no doubt will result in a continuance of that harmony which is so beneficial to commercial undertakings.

The importance of Chefoo as a central depôt for the trade of the north of China is daily becoming more manifest by the quantities of merchandize imported here from the other ports in the Gulf of Pecheli for transmission to the southern provinces of the Empire, and by the distribution from here of British manufactures through this and the neighbouring provinces.

We shall see in the present year a new feature in our trade, viz., the importation of British manufactured goods in vessels coming direct from England to this port, and by this

a fresh impetus and development to our trade will be given, and the chief object for which our Government, at so much cost and sacrifice, opened Chefoo to British commerce, will be attained. We hope that your Excellency will be gratified at the prospect of increase of British trade direct from England to this port that will thus necessarily accrue.

As soon as the projected railroad from here to Tsinanfoo is constructed, Chefoo will become more and more the maritime door of the north of China, and having the advantage of being the only seaport in the north that is open all the year, with a direct import trade with England, and a railroad to the interior, will enable it to supply the markets of Shantung, Honan, and Shansi, at all times with British manufactures, and obviate the disadvantages which British trade in the north of China now suffers from the ports of Tien-tsin and New-chwang being closed to business during a considerable part of the year.

We are credibly informed that good coal can be obtained at a place only twenty miles distant from this, and if permission could be got to work these mines, and to construct a tramroad in order to bring the coal here, great good would result in many ways to British interests in China, especially in the facilities such a supply of coal would afford to steamers both of the Royal and mercantile marine.

While, however, we are enabled to present to your Excellency this favourable side of our position and prospects here, we regret to be obliged to state that our commercial relations at this port, instead of being encouraged by the Chinese authorities, meet with vexatious obstacles to their development. Instead of facilities being given us in the import and export of goods by the Customs authorities, in accordance with the spirit of the Treaty between the Emperor of China and our Sovereign the Queen, every advantage is taken of the letter of the Treaty to interpret it in a harsh sense, and we are constantly threatened with confiscation of our goods on frivolous pretexts and required to submit to the payment of duties amounting to a penalty, owing to the unwillingness of the Customs to meet us in a proper spirit. We are constantly obliged to ask the help of our Consul against the exactions and annoyances that are thus sought to be imposed on us, and we feel them all the more acutely because our own countrymen are the instruments in the hand of the Chinese Government for dealing with us so illiberally.

There are other inconveniences besides to which we are exposed through the non-punishment by the Chinese authorities of criminal attempts made, and injury inflicted upon our property, even although our Consul has attempted to make them sensible of their obligations to protect us. We therefore most respectfully beg your Excellency to use your powerful influence to remove these difficulties, which form the principal obstacles to the advancement of British interests here.

We most respectfully beg leave to suggest that the best way to terminate all these difficulties would be to obtain from the Chinese Government that Chefoo should be made a free port. Its geographical position and conformation seem to point it out as an entrepôt for merchandize from abroad, and if these were allowed to be imported free of all duty in the same way as they are in other free ports, no loss to the Chinese revenue would ensue and British commerce would greatly increase. The same organization now employed to collect the transit dues on foreign merchandize sent into the interior from this, could serve to collect with facility the tariff duties at the barriers which Nature has placed round the port, and by this advance in the path of free trade there is no doubt but that a much larger quantity of goods would be imported here than has hitherto been, and a corresponding increase in the fiscal revenue of the Empire would be the result. We fervently look forward to the realization of this plan, which would make Chefoo the Imperial Hong Kong of the north of China.

Your, &c.
(Here follow the signatures.)

Chefoo, May 18, 1867.

Inclosure 2 in No. 1.

Address from Merchants, &c., at the Port of Kew-keang.

To his Excellency Sir Rutherford Alcock, K.C.B., Her Britannic Majesty's Minister Plenipotentiary and Chief Superintendent of Trade.

Sir,

WE, the undersigned merchants, agents, land-renters, and others interested in the port of Kew-keang, would beg to offer, for the consideration of your Excellency, the following facts relative to the expediency of opening up the Poyang Lake in so far as granting permission to small tug-steamers to ply between this port and the principal places of trade on the lake as far up as Jaou-chow, distant 450 li, or say 150 miles, from

Kew-keang. And we would point out to your Excellency the great advantages likely to arise from so doing not only to Kew-keang as a port, but also to native and foreign trade generally.

Jaou-chow can be reached by water in two days from Moyune, and four to six day from Tien-kai. It is the point at which green teas from those districts are transferred to larger craft for the purpose of traversing the Poyang Lake. At present these boats often remain wind-bound for weeks, but with the aid of steam-tugs they could accomplish the passage within twenty-four to thirty hours. Growers and teamen would naturally prefer this speedy and safe route for bringing their produce to market rather than that *viâ* Hang-chow and Ningpo, which route, although occupying from twenty to thirty days, is availed of to a large extent at present solely on account of its greater certainty. A further benefit to this important trade, arising from the employment of steamers, would be the perfect security in sending treasure into the interior; it is now carried over land by coolies, and takes from seven to ten days to reach its destination from Kew-keang, besides being subject to the risk of attack by local robbers, which is by no means insignificant.

The districts now being referred to, viz., Tien-kai and Moyune, take large quantities of foreign piece-goods, which would go still more extensively into consumption were the communication made rapid and reliable, and thus the foreigner would be benefited by the expansion of trade in foreign manufactures, and the native by the greater economy in laying down goods in the interior.

Woo-ching is distant by water 180 li, or say 60 miles, from Kew-keang, and is the point at which black teas from the Ning-chow and Hokow districts are transhipped. It is also the centre of a large and important trade both native and foreign; the foregoing remarks, therefore, as to detention on account of contrary winds, and the benefits arising from the employment of steamers on the lake, apply equally if not to a greater degree to this place.

We would now make a few remarks to your Excellency relative to some of the objections that may possibly be urged in opposition to the proposed change:—

1. In regard to the "throwing out of employment of native junkmen and injury to their trade." This is not at all likely to occur, as the shallowness of the greater portion of the lake, and the narrowness of its navigable channels, will always prevent the employment of any but very small steamers, which, though adapted for the short trip between places on the lake and Kew-keang, could not be employed with profit in the general carrying trade, but could only be used for towing and possibly for conveying passengers and treasure to or from the particular places mentioned. Thus, in creating a larger trade and enabling the native craft to make more expeditious voyages, the result to the junkmen would be more frequent, certain, and profitable employment.

2. With reference to "rowdyism and trouble likely to arise from the admission of foreigners into the interior." This is provided for by the system of Consular passports now existing; therefore, no one need be permitted to take passages in a steamer without producing this document. Moreover, there would be no object for any but known and responsible parties engaged in trade in visiting the interior; and further, the great distance of Kew-keang from the coast ports, and consequent absence of discharged seamen and deserters from the shipping, is a still further guarantee against the abuse of the concession we now ask for.

In conclusion, the only people likely to suffer from the change we propose would be a few of the local mandarins, who might lose some of their illegal perquisites, against which we would place the more than corresponding benefit that would accrue to the Imperial revenue. Under existing circumstances, "transit-duty passes" are a dead letter at this port, and of no avail whatever; the local authorities demand numerous small and vexatious taxes over and above those provided for by the Treaty; consequently, foreigners are unable to trade with the interior, and the Imperial Government derives no advantage from the revenue it would otherwise collect.

With these remarks we leave the subject in the hands of your Excellency, feeling confident that you will give us your invaluable support in endeavouring to develop the important and flourishing trade for which Kew-keang was once celebrated, and that we may derive the benefits arising from its situation as the port of the Poyang Lake, which circumstance was, we believe, the cause of its original selection as a port suitable for British commerce and foreign trade generally.

(Signed) JARDINE, MATHESON, AND Co.,
(And 40 others.)

Kew-keang, May 1, 1867.

Inclosure 3 in No. 1.

Address from British Merchants at the Port of Chin-kiang.

To Sir Rutherford Alcock, K.C.B., Her Britannic Majesty's Envoy Extraordinary and Minister Plenipotentiary.

May it please your Excellency,

WE, the undersigned British merchants, have much pleasure in congratulating you on your first visit to this port, and we are glad to welcome you amongst us as the Representative of Her Most Gracious Majesty.

It is gratifying to us to be able to announce to your Excellency the fact that the general trade of the port is in a sound and satisfactory state. The statistics of trade show a steady improvement during the past few years, and the returns of the import trade in particular are highly encouraging.

Feeling convinced, however, that the chief object of your Excellency's present visit is to judge for yourself personally of the working of the Treaty of Tien-tsin, and that your greatest desire is to remedy whatever is imperfect or deficient in its details,—being also persuaded that your visit will be pregnant with important results in the forthcoming revision of the Treaty, and knowing that to point out an evil to you is to insure its being attended to, we are induced to draw your attention to the following very serious grievances from which we suffer:—

The first of these, and certainly the most injurious to our interests, is the mal-administration of justice by the local officials whenever we have cause of complaint against a native. Under the present system there is a total want not only of right and justice, but there is a positive encouragement of dishonesty. When a Chinaman cheats or swindles a European he is delivered up to the native authorities, who place all sorts of obstacles and impediments in the way of obtaining redress. If the culprit be wealthy he bribes the officials and shares his ill-gotten gain with them, and the consequence is that he is protected and sheltered from the punishment justly due to his malpractices. If, on the contrary, he is poor, they take what little he has and share it amongst them; and then, when there is nothing more left, they profess themselves perfectly willing to carry out the strict requirements of law and justice. When Her Majesty's Consul remonstrates against such acts of glaring injustice, his representations are usually met with flimsy excuses, and frequently with an utter disregard for truth. The native authorities know perfectly well that the Consul's action cannot go farther than protest and remonstrance—that he has no power to interfere more actively even in cases of the most glaring injustice, and the result is that there is no redress to be obtained at their hands, and no pretence even of inflicting punishment on the criminal. It is only necessary to refer to the several cases of defalcations amongst compradores which have occurred here during the past few years, and in scarcely any one of which has the foreign merchant obtained adequate satisfaction. We have no hesitation in saying that at the present time there is no hope either of law or justice for us when we happen to be wronged by a Chinaman. The impunity with which previous acts of dishonesty have been met is a positive encouragement to evil-doers. It is well known that the trade of the port in foreign hands has been seriously, if not fatally, damaged by this impunity, and that it may not be permanently ruined it is a matter of primary importance that energetic and efficient steps be taken to remedy the evil.

We would next draw your Excellency's attention to the question of the land purchased on the north bank of the river at this port by British subjects. In 1863, several foreigners interested in the trade of the place bought largely of the land facing the river on the other side. Of the British residents who made purchases, some, if not all, did so with the knowledge and consent of Her Majesty's Consul for the time being, and the title-deeds which they now hold bear his official seal. Some time afterwards, however, the Chinese authorities considered it advisable to issue a notification prohibiting foreigners from purchasing or owning land on the north bank. In 1865, when the salt depôt was established here, the land was forcibly occupied by a number of natives who refused to pay rent to the foreign owners or even to leave the place. When the native authorities were applied to for assistance they maintained that foreigners had no legitimate title to the land, and they not only refused to place them in possession of the property they had paid for, but ignored all claims for compensation, and made no effort to recover the purchase money from the original owners. The matter remains in this unsatisfactory position up to the present moment, and we would earnestly request your Excellency's interference in the case.

There is another subject to which we would venture to direct your attention, and which, though connected with the internal administration of the Government, has yet been

made to press so injuriously on the interests of British residents at this port that we feel called upon to bring the matter prominently under your notice. We refer to the collection of the war tax on opium. With the imposition of this tax we have nothing to do, but when in carrying it out it is made the means of pressing unfairly on our business, to the benefit of certain of the native traders, then we consider that we have a just right of complaint. That it has been so employed to our disadvantage is well known both to foreigners and natives at this port; and it is equally well known that this partial administration of the law has been most damaging and injurious to British trade. We addressed Her Britannic Majesty's Consul on the subject on the 9th April of the present year.

If we might venture to make a suggestion to your Excellency regarding the revision of the Treaty next year, we would point to you the great stimulus that would be given to foreign trade and British trade in particular, by throwing open the salt business to foreigners as well as natives of the country. The import of foreign salt would become one of the chief sources of industry and one of the most profitable in the future commerce of China. A port like this, which is now the chief salt depôt for the trade of the middle Yang-tsze, would of necessity participate largely in such a new branch of commerce, and would in all probability become one of the great emporiums of trade in the north of China.

We would also point out to your Excellency the necessity of establishing Mixed Courts at all the open ports in China—each with a machinery of its own to carry out its decisions. It would be of little use to have Mixed Courts if the carrying out of their decisions were to be left to the various local authorities as heretofore. It would be simply perpetuating the evil which it was attempted to remedy.

We would also suggest the necessity of granting enlarged powers to Her Britannic Majesty's Consuls in their intercourse with the native authorities, as mere remonstrance and protest go but a very short way with such a class of men as the body of Chinese officials.

In conclusion, we would draw your Excellency's attention to the desirability of permitting the subjects of the Treaty Powers to rent and purchase land in the British Concession at this port.

Your, &c.

(Signed) J. M. CANNY.
HAY AND Co.,
per Charles Hay.
FRED. L. PATER.

Chin-kiang, May 30, 1867.

Inclosure 4 in No. 1.

Circular addressed by Sir R. Alcock to Consuls in China.

Sir, *Shanghae, May* 28, 1867.

IT is provided in the Treaty of Tien-tsin, under Article XXVII, that either of the High Contracting Parties may demand a further revision of Tariff and of the Commercial Articles of the said Treaty at the end of ten years. As that period will have elapsed in June 1868, it is very desirable that Her Majesty's Government should, before it arrives, have the best means of forming a judgment as to the exyediency, or otherwise, of demanding such revision; also what changes could be advantageously proposed.

The mercantile community of China are naturally the best able to furnish the required information. They are not only the most directly interested; but, having had daily experience during the past nine years of the practical working of the Treaty clauses as they affect trade, they must be in position to say, with familiar knowledge of the subject in all its details, wherein changes might be most beneficial.

I have accordingly to instruct you to put yourself in communication with the mercantile community within your jurisdiction, either through the Chamber of Commerce or otherwise, as you may deem best; and endeavour to elicit a clear statement of their views upon the modifications, if any, they consider expedient in the event of any revision being demanded.

I have, &c.

(Signed) RUTHERFORD ALCOCK.

Inclosure 5 in No. 1.

Newspaper Extract.

HER Majesty's ship "Argus" arrived here [Kew-keang] on the afternoon of the 5th instant from Hankow, having on board his Excellency Sir Rutherford Alcock, K.C.B., and staff.

At a meeting of British residents a few days previously the following gentlemen were deputed to wait upon his Excellency to present the subjoined letter on the subject of opening up the Poyang Lake to small steamers, viz., Messrs. Hollingworth, Rainbow, Pugh, Anderson, Hamilton, and Lovell.

The deputation was received at Her Majesty's Consulate on the morning of the 6th, at 9 o'clock, being introduced to his Excellency by Mr. Consul Hughes. In the absence of Mr. Hollingworth, Mr. Lovell presented and offered to read the address, at the same time expressing the regret of the community at the same having appeared in the public press prior to its presentation.

His Excellency addressed the deputation fully on the subject, expressing his satisfaction at the opportunity afforded by his visit of personal communication with those most directly interested in the commerce and prosperity of the port. The chief object, indeed, of his visiting the ports in succession, necessitating a lengthened absence from Peking. his Excellency continued, was to judge for himself, by observation and in communication with the merchants on the spot, what had been the working of the Treaty of Tien-tsin, and wherein it was imperfect or defective, or might with advantage be modified, in the event of a revision of Tariff and Commercial Regulations, which the Contracting Powers had a right to demand next year, being deemed expedient. His Excellency observed that, however desirous he might be to effect any practical improvements, it was necessary to bear in mind that, the question of modifying Treaty Provisions once opened, it was equally the right of the Chinese Government to demand modifications on their side in what they might deem to their disadvantage. That many conditions distasteful and contrary to their wishes, if not to their interests, had been embodied in the Treaty there could be no doubt —perhaps in none more certainly than the navigation of the Yang tsze. It was the one stipulation most strenuously resisted and reluctantly conceded. Under these circumstances, while perfectly agreeing with the authors of the address that the opening of the navigation of the Poyang Lake would be a great gain to the foreign merchant and the port of Kew-keang, he could entertain no hope that it would be either spontaneously granted or willingly conceded by the Chinese Government. And he must repeat what he had said elsewhere—that it was not a right, and must, if the question be entertained at all, become a matter of negotiation. He would, however, willingly transmit the address to Her Majesty's Principal Secretary of State for Foreign Affairs, praying for this concession as the chief object; and so far as the British merchants and their interests were concerned, he had no doubt, if obtainable, the advantages would be great. The Chinese would certainly object that such advantage could only be obtained at the expense of their own subjects, whose interests would be sacrificed. Junk-owners, boatmen, and porters in large numbers would be thrown out of employment, setting aside all the dangers incident to the navigation by steamers of a lake of large extent, through which there was only one narrow channel in its whole length. And whatever might be the ultimate result or the compensation which enlarged trade might create in time, as the writers of the address assumed—not incorrectly, as he thought—it might be very difficult to prove that the first effects could not be very disastrous to the classes referred to, and still more difficult to convince the Chinese authorities that they could be reasonably called upon to inflict such present injury upon their own people, and incur the danger of popular trouble and discontent to swell the ranks of the insurgents, and perpetuate a great evil for any further or prospective advantage. His Excellency remarked it was very melancholy to see what wide-spread desolation and ruin the insurgents had brought on all the surrounding country. The Yang-tsze itself gave the saddest evidence in the absence of all native traffic. One of the finest rivers in the world, stretching through the breadth of a great empire, and the natural highway for the produce of districts rich in tea, cotton, and silk, had scarcely a native junk upon it between Hankow and Shanghae, a distance of 600 miles. A few foreign steamers monopolised apparently the whole traffic that remained. And if they extended the range of their operations into the Poyang Lake, the Chinese might not unnaturally anticipate a still further diminution of their own junk trade. It was essential, in his opinion, that Treaties should be based upon principles of justice and equity, with due regard to the interests of both Contracting Parties. In the end, he believed, this was the wisest and best policy; for all Treaty stipulations imposing loss or wrong upon one

side for the advantage of the other were likely to be broken or evaded by the party injured, and always proved a fertile source of trouble and misunderstanding.

His Excellency subsequently entered into conversation with the members of the deputation on the chance of collision or danger to native boats or junks, and adverted to the necessity that might arise in accordance with Maritime Law in European countries, should the lake ever be opened to steamers, of making the latter solely responsible for any collisions and thus affording the Chinese some guarantee at least, not only for the greatest care on the part of those navigating them, but some security against losses. As to any danger or objections likely to arise by increased facilities of access, and the admission of a rowdy element into the interior, his Excellency did not regard this as any serious obstacle, believing that the danger could be sufficiently guarded against if due care were taken either in the way indicated by the Address or by other means. The opposition of the local authorities and the junk and shipping interests generally, and all the classes affected by the loss of their employment and bread, he looked upon as far more serious and inevitable. In connection with the whole subject, his Excellency observed that it was impossible to separate from it the question of transit dues and passes, because if the unsatisfactory working of their present system (and nothing could well be more unsatisfactory) afforded the very strongest argument to the merchants and foreign Treaty Powers to insist upon some modification and effective change, even if it involved the opening of the Poyang Lake to steamers as a means of breaking down the whole system of vexatious exactions not otherwise to be effectually put down—it no less certainly suggested the mportance of perpetuating the exclusion to the mandarins and all the host of petty employés for whose profit chiefly these inland barriers and taxes were in effect maintained. His Excellency observed that the attempt to get rid of these vexatious and harassing impediments to the free transit of goods and produce to and from the interior by commuting into one payment of a half duty all inland taxes, the best means which suggested itself after twenty years' experience when Lord Elgin's Treaty was framed, had unfortunately proved a signal failure. The Chinese provincial authorities continued to levy whatever taxes they pleased, under a thousand different pretexts and names,—sometimes land or produce tax, at others some form of war or transit tax, and that upon their own subjects and territory. Now whether foreign Governments had the right in all cases to prohibit such exercise of territorial sovereignty or not, it was quite certain that none of them had the power to prevent it, because that would require a surveillance there was no means of exercising. Under these circumstances it was obviously necessary to resort to some other mode of getting over the difficulty, and relieving trade of the vexatious impediments and losses entailed. But there was now, as at all previous periods, great want of fuller information and more accurate data as to the machinery by which these taxes of every kind were levied, and the authority under which in different districts and provinces they could be lawfully imposed, diminished, or increased, and infinitely varied both as to amount, denomination, and locality for their collection. The merchants could not do better service than by supplying full details and reliable data. They must best know where the shoe pinched, and could alone know how their operations were practically affected. The evils from which they suffered from irregularity and uncertainty as to the extent to which goods and produce in which they were interested were liable to be taxed, were undoubtedly very serious, and more especially so from the fluctuation and uncertainty in the amounts. His Excellency observed he would rejoice at any prospect of effectually relieving them, and therefore thus frankly invited them to co-operate by supplying the necessary information. No doubt as regarded the transit of goods and produce to and from places on the lake, the introduction of steamer traffic would provide some remedy and give them the means of sending funds with safety to any place on the borders,—in itself a strong argument in its favour. But this would not adequately deal with the larger question, nor with the transit of goods and money beyond the place of embarkation. His Excellency finally adverted to the necessity of the merchants generally obtaining some knowledge of the Chinese language before they could be in a position to derive all the benefits they anticipated from freer access to the interior. It need not be a very extensive knowledge of the colloquial, indeed a very limited range would be quite sufficient for all practical purposes, and the difficulty of acquiring this had been much exaggerated. Mr. Wade had now by his works made easy much that was once so difficult. Without it he was satisfied, if the whole Empire of China were thrown open as fully as any country in Europe, little good would result to the foreign merchant, and that was so entirely a matter in their own hands that he could not help entertaining a sanguine hope the British merchant, whenever he had to deal with the Chinese or proceed into the interior on his affairs, would, at no distant period, be able to dispense with

all intermediaries and be his own broker and interpreter, as the first condition of success and security.

His Excellency, with a renewed expression of his earnest desire to further their interests by every means in his power,—a desire which, he added, had alone suggested his concluding remarks, and led him to hope they would be acted upon, not only by the deputation, but by all the mercantile community in China, took leave of the deputation, and immediately afterwards proceeded on board Her Majesty's ship "Argus," which left again for Shanghae at 11 A.M.

[Then follows the Address to Sir Rutherford Alcock from Merchants, &c., at the Port of Kew-keang, printed as Inclosure 2 in No. 1.]

No. 2.

Lord Stanley to Sir R. Alcock.

Sir, *Foreign Office, August* 16, 1867.

I HAVE received your despatch of the 10th of June, inclosing copies of the addresses presented to you on your recent visit to the ports; and I have to express to you my approval of your reply to the Deputation which presented the addresses to you at Kew-keang, and of the Circular instruction to the Consuls which also accompanies your despatch.

Her Majesty's Government are glad to see that you are turning your attention to the question whether any, and what, modifications are required in the existing Treaties with China, and especially that you are inviting the opinions of the British merchants to the subject. Those opinions must always be valuable, even though it may not be politic, or even possible, to give full effect to them; for a principle, the application of which may be beneficial in one quarter, may tend to injury if enforced in another.

I am glad to see that you are prepared to take into account the interests, the feelings, and to a certain extent the prejudices, of the Chinese Government and people. The true policy to be advocated is that which, by mutual forbearance, shall combine the suffrages of both parties in some common system, which, though it may not be the best in the abstract, yet may have in its favour that it does not, without some palpable corresponding advantage to Chinese interests, clash with their existing habits and fixed opinions, but enlists the good-will of the majority in its favour. Her Majesty's Government neither wish, nor have they the right, to impose sacrifices on China, even though they may be convinced that the inconvenience of such sacrifice will be only temporary, whereas the benefit which will result from them will be lasting. We must not expect the Chinese, either the Government or the people, at once to see things in the same light that we see them; we must bear in mind that we have obtained our knowledge by experience extending over many years, and we must lead and not force the Chinese to the adoption of a better system. We must reconcile ourselves to waiting for the gradual development of that system, and content ourselves with reserving for revision at a future period, as in the case before us, any new arrangement which we may come to in 1868.

You will, of course, act openly with the Representatives of other Powers, inviting and availing yourself of their co-operation, though the interests of British trade are so much more important than those of the trade of other nations that you must not sacrifice them for the mere object of obtaining the concurrence of the Representatives of other Powers in any common course of action.

You will, after having formed your own opinion as to the best course to be pursued, report fully on the points which should be attended to. The fullest reliance is placed on your judgment and knowledge of circumstances; but as there will be sufficient time for reference home before taking any definite steps with the Chinese Government, it is desirable that Her Majesty's Government should be apprized beforehand of what you propose to do.

It might be as well that you should intimate to the Chinese Government that you will, in due season, have to propose some modifications of the existing arrangements.

I am, &c.

(Signed) STANLEY.

No. 3.

Mr. Egerton to Sir E. Tennent.

Sir, *Foreign Office, August* 16, 1867.

I AM directed by Lord Stanley to transmit to you, to be laid before the Lords of the Committee of the Privy Council for Trade, a copy of a despatch from Her Majesty's Minister at Peking,* forwarding addresses presented to him by the British mercantile communities on the occasion of a visit which he has recently paid to the principal northern ports of China, with his reply to the address from the merchants of Kew-keang, and a circular which he has sent to the Consuls under his superintendence. As these papers touch upon the question of the revision of the existing Treaties with China, the period for which will arrive next year, Lord Stanley has addressed the despatch of which a copy is inclosed to Sir R. Alcock,† giving his general views on the question; and I am to request that you will move the Lords Commissioners to inform his Lordship whether they think it would be desirable that a letter should be written by the Secretary of State for Foreign Affairs to the Chambers of Commerce, pointing out that the period for the revision of the Treaty with China will arrive next year, and inviting any suggestions they may wish to offer, adding, however, that Sir R. Alcock is already in communication with the British mercantile community and Her Majesty's Consuls in China, with the view of collecting information on the subject.

I have, &c.

(Signed) E. C. EGERTON.

No. 4.

Mr. Herbert to Mr. Egerton.—(Received August 29.)

Office of Committee of Privy Council for Trade,

Sir, *Whitehall, August* 28, 1867.

I AM directed by the Lords of the Committee of Privy Council to acknowledge the receipt of your letter of the 16th instant, transmitting, by direction of Lord Stanley, a copy of a despatch from Her Majesty's Minister at Peking, forwarding addresses presented to him by British merchants on the occasion of his visit to the northern ports of China, together with his reply, and a circular which he has sent to the Consuls under his superintendence.

Lord Stanley sends also a copy of a despatch which he has addressed to Sir R. Alcock, pointing out his views on the question of the revision of the Treaties, the period for which will arrive in the course of next year.

In reply to the request, that his Lordship may be informed whether this Board considers it desirable that a letter should be written by the Foreign Department to the Chambers of Commerce, pointing out that the period for revising the Treaty will arrive next year, and inviting any suggestions they may wish to offer, I am to state that, though most of the merchants in this country interested in the Chinese trade have representatives in China, they think it would be well to issue the circular suggested, to give those who are not so represented an opportunity of making any suggestion that may occur to them.

I have, &c.

(Signed) ROBERT G. W. HERBERT.

No. 5.

Circular addressed to the Secretaries of British Chambers of Commerce.

Sir, *Foreign Office, September* 5, 1867.

THE period at which the revision of the Treaty of Tien-tsin may be demanded of the Chinese Government will arrive in the month of June 1868, and Her Majesty's Minister in China is now engaged in inquiries in regard to the expediency of proposing any changes in that Treaty. But Lord Stanley thinks it right that the commercial associations in this country should likewise have the opportunity of making any suggestions they may wish; and I am desired by his Lordship, in forwarding to you, for convenience of reference, a copy

* No. 1. † No. 2.

of the Treaty of Tien-tsin, to request that you will acquaint the Members of your Association that he will be happy to receive from the Association any communication on the subject which they may see occasion to offer.

I am, &c.
(Signed) E. HAMMOND.

No. 6.

The Secretary to the Sheffield Chamber of Commerce to Mr. Hammond.—(Received September 7.)

Chamber of Commerce and Manufactures, Sheffield, September 6, 1867.

Sir,

I BEG to acknowledge receipt of circular, inclosing a copy of the Treaty of Tien-tsin, which shall be laid before the Council of this Chamber at the earliest opportunity.

I am, &c.
(Signed) W. SMITH.

No. 7.

The Secretary to the Liverpool Chamber of Commerce to Mr. Hammond.—(Received September 9.)

Sir, *Chamber of Commerce, Liverpool, September 6, 1867.*

I HAVE received your circular, dated the 5th instant, forwarding a copy of the Treaty of Tien-tsin, and saying that Lord Stanley will be happy to receive such communications in reference to it as the Chamber may see occasion to offer, in view of the revision of the Treaty which may be demanded of the Chinese Government in the month of June 1868.

In reply I beg to say, that your letter and copy of Treaty inclosed therein, shall be laid before the Council.

I am, &c.
(Signed) WILLIAM BLOOD.

No. 8.

The Secretary to the Dewsbury Chamber of Commerce to Mr. Hammond.—(Received September 9.)

Sir, *Chamber of Commerce, Dewsbury, September 6, 1867.*

I AM favoured with your communication to the Dewsbury Chamber of Commerce on the above subject, which shall be laid before our Council at an early date, when no doubt the Council will be only too glad to render all the assistance, and give all the information in their power on a subject in which they are so much personally interested.

I am, &c.
(Signed) JESSE SMITH.

No. 9.

The Master Cutler, Sheffield, to Mr. Hammond.—(Received September 9.)

Cutlers' Hall, Sheffield, September 7, 1867.

THE Master Cutler (Mr. Mark Firth) begs to acknowledge receipt of your circular of September 5, with reference to the China Treaty, which shall be laid before the Cutlers' Company at their next meeting, when their decision shall be communicated to you.

No. 10.

The Secretary to the Newcastle and Gateshead Chamber of Commerce to Mr. Hammond.—(Received September 11.)

Newcastle and Gateshead Chamber of Commerce,
Sir, *Newcastle, September* 10, 1867.

I HAVE the honour to acknowledge receipt of your letter of the 5th instant, and also of a copy of the Treaty of Tien-tsin, for which, in the name of the Chamber, I have to thank you; and be pleased to communicate to Lord Stanley, the Committee of this Chamber will give the subject their early consideration, and if they have any suggestions to make, they will address his Lordship on the subject.

I have, &c.
(Signed) ROBERT PLOWMAN.

No. 11.

The Secretary to the Cardiff Chamber of Commerce to Mr. Hammond.—(Received September 12.)

Cardiff Chamber of Commerce, Cardiff,
Sir, *September* 11, 1867.

I AM desired by the Directors of this Chamber to acknowledge receipt of your Circular letter of the 5th instant, respecting the revision of the Tien-tsin Treaty; and to say that, although the Directors view with considerable interest all commercial Treaties, the one above-named does not affect the staple trade of this district (coal and iron), and therefore they will, with your permission, refrain from offering any suggestions.

I am, &c.
(Signed) ALEX. DALZIEL.

No. 12.

The Secretary to the Leicester Chamber of Commerce to Mr. Hammond.—(Received September 13.)

Leicester Chamber of Commerce, 24, *Friar Lane,*
Sir, *September* 12, 1867.

I BEG to acknowledge the receipt of your Circular letters, dated respectively 5th and 10th instant, on the subjects of the revision of the Treaty of Tien-tsin, and the proposed modification of the Russian Tariff, which shall receive the immediate attention of this Chamber.

I have, &c.
(Signed) T. A. WYKES.

No. 13.

The Secretary to the Manchester Cotton Supply Association to Mr. Hammond.—(Received September 18.)

1, *Marriott's Court, Brown Street, Manchester,*
Sir, *September* 16, 1867.

I BEG to acknowledge the receipt of your letter dated the 5th instant, intimating that the period at which the revision of the Treaty of Tien-tsin may be demanded of the Chinese Government will arrive in the month of June, 1868, and inclosing a copy of the said Treaty.

Be so good as to accept my thanks for the same, which shall be laid before the Executive Committee at their next meeting.

I am, &c.
(Signed) ISAAC WATTS.

No. 14.

The Secretary to the North Shields and Tynemouth Chamber of Commerce to Lord Stanley.—(Received September 19.)

North Shields and Tynemouth Chamber of Commerce, September 17, 1867.

My Lord,

I HAVE the honour to acquaint your Lordship that a sub-Committee of this Chamber was appointed at a meeting of the Directors this day, to take into consideration the proposed Treaty of Tien-tsin.

I have, &c.
(Signed) RALPH TURNBULL.

No. 15.

The Secretary to the Dundee Chamber of Commerce to Lord Stanley.—(Received September 26.)

My Lord, *Dundee Chamber of Commerce, September 23, 1867.*

I HAVE the honour to acknowlege receipt of your letter of 5th instant regarding the Chinese Tariff. The Directors have had the same under consideration, and they feel gratified at being able to report that the import duty on linen is considered moderate.

I have, &c.
(Signed) ROBT. STUART.

No. 16.

The Secretary to the Galashiels Chamber of Commerce to Mr. Hammond.—(Received October 12.)

South of Scotland Chamber of Commerce, Galashiels, October 10, 1867.

Sir,

I HAVE been directed to acknowledge receipt of your circular on this subject, dated 5th ultimo, and to state that the existing Tariff as regards woollen goods is considered by this Chamber as satisfactory.

I have, &c.
(Signed) R. STEWART.

No. 17.

The Vice-President of the Bradford Chamber of Commerce to Lord Stanley.—(Received October 31.)

My Lord, *Bradford, October 30, 1867.*

YOUR circular dated 5th September, 1867, having been considered by the Council of this Chamber, I have the honour to state that we have no suggestions to offer with respect to the revision of the Treaty of Tien-tsin.

The frequent complaints which have reached this town, that difficulties are illegally thrown into the way of the internal trade of China, will no doubt be brought under your Lordship's notice, and effectively substantiated by the Chambers of Commerce in China, and by individuals immediately suffering from the infractions of the Treaty.

The rates on the importation of worsted goods are stated in the Tariff in a plain and intelligible manner, and the levying of the duties is not connected with any vexatious formalities.

These duties amount to about 5 per cent. of the average value of worsted goods, and cannot, therefore, be called oppressive.

It is the opinion of this Chamber that a partial reduction of the duty would not greatly increase the demand for worsted goods in China, though the entire abolition of them would undoubtedly be an advantage.

I have, &c.
(Signed) JAMES BEHRENS.

(Signed) JOHN DARLINGTON, *Secretary.*

No. 18.

Sir R. Alcock to Lord Stanley.—(Received November 23.)

My Lord, *Peking, September 7, 1867.*

MR. CONSUL ROBERTSON has forwarded to me translated copies of a Circular despatch from the Board of Foreign Affairs here, and the reply of the Superintendent of Customs at Canton. I transmit these with the Consul's covering despatch, chiefly as evidence that the Chinese Government are fully prepared for a demand on the part of foreign Powers for a revision of the Treaties.

It is also worthy of note that, although in a confused and blundering way, as is too often the way of Chinese officials when dealing with questions concerning Treaties and foreigners, the Superintendent of Customs dwells much upon the loss of revenue and general encouragement of smuggling due to the vicinity of our free port of Hong Kong. And referring to the case of the "Prince Albert," he would even suggest an additional Article in the Treaties to meet the plea set up by the owners of that vessel that they were on a cruize chartered to look for a dismasted junk, and had taken refuge in a non-Treaty port merely for safety from pirates.

I have, &c.
(Signed) RUTHERFORD ALCOCK.

Inclosure 1 in No. 18.

Consul Robertson to Sir R. Alcock.

Sir, *Canton, August 12, 1867.*

I HAVE the honour to inclose translated copies of a Circular despatch from the Board of Foreign Affairs, forwarded through the Acting Imperial Commissioner Tsêng Kwo-fan, to the Superintendent of Customs at Canton, respecting the revision of the Treaties in 1868, and the reply of that officer, which reached me indirectly, but is nevertheless authentic.

The despatch of the Foreign Board is reasonable enough, and shows the interest the approaching revision of the Treaty excites, but the Haekwan's reply is, in some respects, an anomaly, and proves either the obtuseness of that officer, or what is worse, his inability to learn anything. This is made unmistakeably evident by his remarks upon the Colony of Hong Kong, that China has no Custom-house there, and that Her Majesty's Ministers should call upon the Governor to issue instructions to the Consul at that place to take stringent measures for preventing the smuggling of opium and foreign merchandize. This is the more glaring, for if one question has been debated more than another, between myself and the Authorities, including the Haekwan, it has been the injury inflicted upon the Imperial revenue by Hong Kong from the smuggling that takes place from thence, and of which he gives a very fair and intelligible account, and I have over and over again stated that the Colony is a British settlement, and therefore Chinese jurisdiction cannot prevail there, and that being a free port, the Governor neither knows nor has anything to say to what either comes in or goes out from it, and as no duties are levied, so no British Custom-house exists, nor will the Executive assist the Imperial Government in doing that which it should do for itself; yet, often as this matter has been discussed, and its truth admitted, the old request crops up on the first available opportunity, leading to the suspicion that the Haekwan knows it perfectly well, but would insinuate to the Foreign Board that the onus of smuggling, which undoubtedly exists, rests on the Hong Kong Government as the author of it.

I do not remark upon his other propositions as they have reference to matters beyond my province, and will, with many other points, come under your Excellency's consideration at the proper time.

Your, &c.
(Signed) D. B. ROBERTSON.

Inclosure 2 in No. 18.

Despatch from the Board of Foreign Affairs respecting Revision of the Treaties in 1868.—(*Forwarded through the Acting Imperial Commissioner, Tsêng Kwo-fan, to the Superintendent of Customs at Canton.*)

(Translation.)

THE Board of Foreign Affairs calls attention to the fact that next year the period for exchanging Treaties with foreign Powers will again arrive. The points to which foreigners commonly attach most importance are those connected with Customs matters at the various ports, respecting which the officials intrusted with their control are naturally best acquainted with the requirements, as to prolongation or change of existing arrangements. The Board, therefore, requests that orders be issued to the Superintendents of Customs at all the ports, directing them to make report in detail, comprising the various cases that have arisen under their administration in past years, together with such projects as may have been entertained but not carried into effect, pointing out all such provisions as have proved objectionable, and require to be done away with, or have shown themselves unobjectionable and may be continued as heretofore in force, as also all methods of procedure not hitherto adopted, and which ought to be now introduced in the text, or such as have been hitherto followed in concession to circumstances, but should for the future be abolished, supporting all such suggestions with cases of reference. These reports being in the first place forwarded to the Imperial Commissioner for judgment thereupon, must be transmitted to the Board before the end of the fifth moon (1868), it being observed, at the same time, that the collection of these reports at an early date is essential.

On the receipt of the foregoing by the Imperial Commissioner, Tsêng, he communicates these instructions for the information and guidance of the Superintendent of Customs at Canton, who received his despatch June 22, 1867.

Inclosure 3 in No. 18.

Reply of the Superintendent of Customs at Canton.

(Translation.) *July* 11, 1867.

THE Haekwan has to forward the following confidential communication to your Excellency, in consequence of the receipt of a despatch from his Excellency Tsêng, Viceroy of the Two Kiang, and Acting Imperial Commissioner of Trade, communicating instructions conveyed in a note from the Board of Foreign Affairs, to the effect that, as in 1868 the period for exchanging Treaties with the different foreign Powers will again arrive, thorough examination should be made into the requirements proved to exist by experience at each port, statements of which, drawn up in detail, must be collected in the hands (of the Board) before the fifth month of next year, in order to their being maturely deliberated upon, &c.; and the Superintendent has accordingly devoted minute attention to such an inquiry, excluding from it only such matters as concern the Provisional Government, and the interests of the people, which he requests your Excellency and the Governor to take into consideration, and to make confident al communication thereupon to the Imperial Commissioner direct, whilst, with regard to the levy of duties and penalties on vessels entering and leaving this port, there is nothing in the present rules calling for change, and only need for two additional provisions, which are set forth below, with particulars of cases in support, together with a specification respecting the great detriment to Customs and tonnage dues found to accrue through Hong-kong, where Chinese and foreigners are assembled together, but where hitherto, no Custom-house has been established and persons stationed for purposes of inspection. The foregoing having been communicated for the information of his Excellency the Imperial Commisioner, Tsêng, a copy is now confidentially transmitted to your Excellency.

Inclosure.—*Additions needed in the Treaties, with justificatory cases*

1. British Treaty, XLVIIth Article, vessels carrying on clandestine trade along the coast to be subject with their cargo to confiscation.

French Treaty, VIIth Article, same tenor.

United States' Treaty, XIVth Article, the same tenor.

Addition required. In the event of Chinese vessels becoming disabled or stranded

at any point along the coast, and chartering steamers to take them in tow; or putting into harbour to escape from pirates, and chartering steamers to give them convoy, the Chinese trader and [or] captain shall apply to the Superintendent of Customs for a license, without which he shall not be authorized to engage the services (of a steamer for such a purpose); and no merchandize may (in such case) be clandestinely carried. If the voyage be illicitly engaged in without a license, the vessel shall be confiscated.

[Case. In March, 1866, the case occurred of the seizure of the British steamer "Prince Albert," which had entered the port of Shuei Tung, with reference to which the British Consul, Mr. Robertson, has been requested to call upon the owner to make haste in paying in the price (fixed upon) to the Customs, and redeeming his vessel, in reply to which a despatch has been received, stating that the owner, Kwok a Cheong, has returned only an ambiguous answer, and that the Consul has learnt that he has again petitioned the Governor of Hong Kong, who has written to the British Minister at Peking, from whom a reply may be expected immediately; and the Superintendent has again referred the matter to the decision of the Foreign Board, but it has not yet been brought to a conclusion.]

2. British Treaty, Article XXXVII.

Vessels on entering port to incur a fine of 50 taels per diem for every day beyond the limit within which report must be made, such fine not to exceed the maximum of 200 taels.

French Treaty, Article XVII, same tenor.

United States' Treaty, no provision to this effect.

Addition required. Henceforward where (vessels intended to be used as) chops or hulks enter port, they shall be subject to the like provision.

[Case. In July, 1866, the United States' vessel "Tropic" entered port, and upwards of a month elapsed without report being made of her arrival. The Consul was hereupon requested to inflict the fine as provided by Treaty, and to cause the report to be sent in. The Consul, however, maintained that this vessel, being a chop, was under circumstances different to those of trading ships, and the case not being provided for by Treaty, he had no power to inflict a fine; whereupon the Superintendent forwarded the whole correspondence for the information of the Foreign Board, who wrote in December last directing a report to be at once made as to the present state of affairs in this case, and whether the fine had been paid or not. Reply was hereupon made to the Board that, since reporting the matter for their consideration, no further steps had been taken, nor any further correspondence held with the Consul, nor had payment as yet been made. At the same time, on Mr. Glover, the Commissioner of Customs, being consulted, he stated that he had written to the Inspector-General, Mr. Hart, on whose reply being received the case could be settled. The Board's instructions not having yet been received, the case is still pending.]

3. The locality of Hong Kong, in Kwang-tung, is one where Chinese and foreigners congregate; but China has no Custom-house whatever there, nor are persons stationed there for purposes of inspection. Hence foreign trading vessels bound for Kwang-tung anchor for the most part at Hong Kong, and discharge their cargoes into the warehouses there, and do not come up to Whampoa, thus escaping the levy of tonnage dues. Merchandize intended for sale at Canton is brought up by the river steamers, and reported for duty; but the greater part of the foreign goods sold to places on the west coast, in the four prefectures of Kao, Sien, Sui, and K'iung, is carried down by junks chartered for the purpose by dishonest traders to out-of-the-way harbours and creeks on the west coast, where no Customs stations exist, and where the merchandize is clandestinely landed for sale. As regards opinion, the evil is still greater; and although prohibitory proclamations have been issued, it has proved impossible altogether to extirpate these malpractices. Great detriment is suffered in consequence by the revenue from Customs and tonage dues; and the Superintendent submits for consideration the question of desiring the British Minister to call upon the Governor of Hong Kong to issue instructions to the Consul of that place, directing him to take stringent measures for preventing the smuggling of opium and of foreign merchandize.

No. 19.

Mr. Mallet to Mr. Egerton.—(*Received December* 11.)

Office of Committee of Privy Council for Trade,
Whitehall, December 10, 1867.

Sir,

I AM directed by the Lords of the Committee of Privy Council for Trade to acknowledge the receipt of your letter of the 29th ultimo, transmitting, by direction of Lord Stanley, a despatch from Her Majesty's Minister at Peking, inclosing copies of despatches from Mr. Consul Robertson and the Chinese Authorities at Canton, relative to the approaching revision of the Chinese Treaties.

In returning these despatches, I am to request that you will express to Lord Stanley their Lordships' hope that Her Majesty's Minister will report the progress of these negotiations, and that an opportunity will be given to Her Majesty's Government for the consideration of the various points involved, before they are finally settled.

I have, &c.
(Signed) LOUIS MALLET.

No. 20.

Lord Stanley to Sir R. Alcock.

Foreign Office, December 12, 1867.

Sir,

I COMMUNICATED to the Board of Trade your despatch of the 7th of September, inclosing copies of Reports from Mr. Robertson respecting the approaching revision of the Chinese Treaties.

It is important that Her Majesty's Government should be kept fully informed of the progress of the negotiations on this subject, and that an opportunity should be given for the consideration of the various points involved before they are finally settled. You will accordingly report to me the state of the queston as soon as you have collected the necessary information.

I am, &c.
(Signed) STANLEY.

No. 21.

Consul Winchester to Lord Stanley.—(*Received December* 28.)

Shanghae, November 8, 1867.

My Lord,

I HAVE the honour to forward copy of a letter addressed to me by the Chamber of Commerce at this port, in which I am requested to forward directly to your Lordship, copy of a Memorial that that body had addressed to Her Britannic Majesty's Minister at Peking, touching the approaching revision of the Treaty.

As there is no apparent objection to compliance with this request, I think it also right to forward copy of a despatch to Her Britannic Majesty's Legation, Peking, with appendices, commenting on the Memorial of the 7th November, 1867.

I have, &c.
(Signed) CHARLES A. WINCHESTER.

Inclosure 1 in No. 21.

The Secretary to the Shanghae General Chamber of Commerce to Consul Winchester.

Shanghae, November 7, 1867.

Sir,

IN order that Her Majesty's Principal Secretary of State for Foreign Affairs may be early informed of the views of the merchants at this port with regard to the revision of the Treaty of Tien-tsin, to which it is hoped will be accorded the consideration of Her Majesty's Government in deciding upon the instructions on the subject to be transmitted to Her Majesty's Minister at Peking, the Committee of this Chamber beg that you will be good enough to forward to Lord Stanley the accompanying copy of a Memorial which has been

addressed to his Excellency Sir Rutherford Alcock, Her Majesty's Minister, who will doubtless submit the Chamber's Memorial to Her Majesty's Government in regular course; and the object of the Committee in requesting that you will kindly transmit the inclosed to England direct, is merely to avoid the delay which must necessarily elapse before advices can reach London from the north.

I have, &c.
(Signed) WALTER PEARSON.

Inclosure 2 in No. 21.

Memorial of the Shanghae General Chamber of Commerce.

To Sir Rutherford Alcock, K.C.B., Her Britannic Majesty's Minister Plenipotentiary and Chief Superintendent of Trade, &c.

General.

BEFORE entering into the details of the various subjects which call for specific attention, your Memorialists deem it advisable to submit to your Excellency a general statement of their views with regard to the working of the present Treaty.

Although, like most instruments of the kind, the Treaty of Tien-tsin is not without its defects, experience has shown that, in the main, it is suited to the objects for which it was designed, and that its terms, properly adhered to, are sufficient to secure the progress of foreign trade, and bring producers and consumers into direct contact with one another.

The conditions under which it was contemplated that this end would be attained, were, that the satisfactory and faithful carrying out of the various provisions of the Treaty should be secured by the direct supervision of Diplomatic Agents accredited to the capital, who would be able to put in force an active, vigilant and firm policy with regard to such questions as might from time to time arise. This scheme events have proved to have been wisely devised, and there can be no doubt that, had foreign influence been more stringently felt by the native authorities, the last eight years' intercourse with China would, in the opinion of your Memorialists, have been productive of far greater results in the furtherance of our commerce than has proved to be the case.

Notwithstanding certain impediments, to which your Memorialists will allude hereafter, the success of the scheme laid out by the Treaty is unmistakably shown in the expansion of trade which has taken place since that instrument came into force. In spite of exceptional drawbacks—the effects of a devastating rebellion, and an unprecedented rise in the price of cotton manufactures consequent upon the outbreak of the American war—trade both in imports and exports has increased, a fact proving that the Treaty is of such a nature that foreign commerce may be developed under its provisions, and justifying the conclusion that there is a vast field for furtherance of mercantile interests in China, and that the capability of the country for consuming manufactured goods is as large as has been generally imagined.

The result of the trade up to the present time must not, however, be taken as an index of what might be obtained if the Treaty provisions were fully carried out. They show what, in spite of much obstructiveness on the part of the native officials, in spite of illegal exactions in the form of transit dues, and in spite of the denial to us of privileges which there can be little question the Treaty was intended to secure, has been accomplished by the natural working of supply and demand, and the trading instincts of the Chinese people. There can, however, be little doubt that, had the full privileges which the Treaty was designed to obtain been accorded to foreign commerce, one very important branch of business, namely the import trade, might have been far more extended than has been the case.

Design of the Treaty.

The design of the Treaty was, by throwing open the producing and consuming districts to foreign capital and energy, and by fostering a closer communication between the Chinese people and Europeans, to introduce an element of progress into our trading relations, previously shackled by innumerable artificial and unjust obstructions.

This object has, however, only been attained to a limited extent. No sooner did the Chinese feel themselves independent of foreigners, after the Tae-ping Rebellion had been suppressed by their aid, than the native officials began steadily, though insidiously, to advocate retrogressive views, which it is a matter of regret to your Memorialists, there has been a disposition in influential quarters to endorse and to uphold.

Its Interpretation.

A desire has been shown in interpreting the Treaty of Tien-tsin, to ignore that element of progress which, if tempered with prudence, could not fail to be productive of the most satisfactory results; a determination has been manifested to read the clauses conferring

privileges in a light adverse to foreigners, whenever the text was susceptible of dubious interpretation; and even when the rights claimed by Europeans accorded fully with the spirit of the instrument.

sidence in interior.

The most important question of this nature which has been raised, is that of the right of residence, of renting land and houses, and building premises at other places than the Treaty ports. In this instance the policy of the foreign Governments appears to have been influenced rather by considerations of expediency, than by the strictly legal bearing of the question.

The argument advanced against residence in the interior by Earl Russell, when Foreign Minister for Great Britain, was that the specification of right to reside at the Treaty ports implied the exclusion of the privilege of residence in other parts of the Empire. Your Memorialists would be fully prepared to acknowledge the justness of this view, but for the specific language in which Article XII of the British Treaty is couched. That Article runs as follows:

"British subjects, whether at the ports or at other places, desiring to open houses, warehouses, churches, hospitals, or burial grounds, shall make their agreement for the land or buildings they require at the rates prevailing among the people equitably, and without exaction on either side."

Admitting the validity of the view propounded by Earl Russell above alluded to, it seems clear, in the humble opinion of your Memorialists, that it was precisely to prevent such an argument being applicable, that the words "whether at the ports or other places" was inserted in Article XII. It is needless to observe that it is only when a clause is either ambiguous in itself or inconsistent with a document as a whole, that it is necessary to resort to inferences from the context. If the Article did not contain the words above quoted, it would be ambiguous, and it would then be necessary to infer its meaning from other clauses; but as it stands it does not appear ambiguous; nor is it inconsistent with the general bearing of the Treaty, which, it will not be denied, contemplated that British subjects would proceed into the interior for purposes of business, and may therefore fairly be presumed also to have contemplated the opening of warehouses, without which business cannot be carried on.

Thus the provision most essential to the progress of foreign Trade has been deprived of all practical effect, and the grand design of the Treaty of Tien-tsin, namely the penetration of foreign goods throughout the interior, and the purchase by foreigners of China produce at the places of growth, together with immunity in either case from illegal taxation of every kind, have been altogether nullified.

Unredressed claims on Chinese Government and people.

Similar views to those which have influenced the foreign authorities respecting purely diplomatic questions, have characterized the action taken in matters of a mixed judicial and diplomatic nature, and your Memorialists cannot refrain from expressing their regret at the apparent indifference displayed in the advocacy by the foreign authorities of claims upon the Chinese Government, even in cases where an ordinary sense of justice, no less than the clear provisions of the Treaty, indicated such claims to be well founded.

It is needless to quote all the numerous instances in which injustice has been suffered by foreigners through the bad faith and indifference to right manifested by the Chinese Government. It will be sufficient to call to your Excellency's notice (as much in the hope that it may not yet be too late, in some instances, to obtain tardy redress, as with the view of illustrating the manner in which foreign merchants have too often suffered wrong) those which from their importance and notoriety are leading cases of this nature. The Sung-Yang claims, the still deferred payment of Messrs. Hogg, Brothers, losses arising from salt, and the Nanzing Duties, are instances so notorious that your Memorialists deem it but necessary to refer to them to convince your Excellency of the gross injustice which has too often been experienced. The following are the main facts connected with them.

In the matter of the Sung-Yang claims, a large quantity of property belonging to foreign merchants was, in the month of April 1865, lost in consequence of its being seized and appropriated by a body of disaffected Imperial troops who were at the time in possession of the above-named city. In one case, namely, that of Messrs. Jardine, Matheson, and Co., a considerable sum was lost, and six of the natives in the employ of the firm were seized and carried off by the troops, and have not since been heard of, and the nephew of a compradore in the employ was murdered. Application for redress was made, in June 1865, to Mr. Medhurst, Her Britannic Majesty's Consul at Hankow, and, in reply, Messrs. Jardine and Co. were requested to furnish every possible information as to the nature of the occurrence. This was accordingly done, but no answer of a satisfactory nature was received, and the further time granted by your Excellency, on your recent visit to Hankow, for inquiry, has been productive of no satisfactory results to the present day.

The Nanzing Duties consisted of certain taxes, which were levied in June 1861, under

the name of war dues, chiefly at Nanzing, and upon silk. The charge at first was 5 taels per bale, but was subsequently raised to 10 taels. This levy was made through the whole of the season 1861-62. Upon teas similar illegal taxes were levied. Various claims sent in to Her Britannic Majesty's Consulate were recognized; and it was stated that the refund would have to be made in Ningpo drawbacks, but, though frequent application has been made, nothing has up to the present time been obtained.

The large losses of Messrs. Hogg, Brothers, arising from transactions in salt under Chinese Government supervision, have been a fruitful source of correspondence for upwards of two years, and though admitted by your Excellency to be a just claim, yet to this day nothing has been done by the Chinese Authorities at Hankow to enforce payment.

Local taxes in excess of Tariff duties.

Oppressive acts of this nature, injurious to trade and disastrous to individuals as they undoubtedly are, do not, however, form, in the opinion of your Memorialists, the most serious evil from which foreign interests in China suffer. Such flagrant violations of right must from their nature be of exceptional occurrence; and their influence upon the trade as a whole is small in comparison with that which results from the systematic exaction by the Chinese Authorities of duties largely in excess of those stipulated for in the Treaty.

Together with the present communication your Memorialists beg respectfully to forward to your Excellency a Chinese document, specifying the values upon which in the year 1860 the Chinese Authorities levied illegal taxes upon manufactured goods, between the warehouse of the foreign seller and the native shops in the foreign settlement. The values placed upon the various goods are something like the market rates of the period, so that in 1860 more than half as much again as the tariff duty was levied upon every kind of manufactured goods, and these taxes are in force to the present day. An idea of the magnitude of the taxation to which the foreign Import Trade is subjected may be formed when it is borne in mind that this is but the beginning of a system of "squeezing" which follows every bale of our manufactures on its way into the interior.

Illegal exactions i the interior.

Notwithstanding the payment by the foreign merchant to the Customs of $2\frac{1}{2}$ per cent. as transit dues, his goods are so heavily taxed at the various inland barriers, that, according to reliable authorities, it is impossible for a single bale of foreign manufactures to penetrate 100 miles into the interior of the country. A piece of shirtings costing 2 taels 7 mace, or 16*s*. 2*d*., in Shanghae, cannot be laid down in Soochow, only eighty miles distant, at less than 3 taels 6 candarines, or 18*s*. 4*d*.; showing an inland charge of 3 mace 6 candarines, or 2*s*. 2*d*. The extent of the imposts laid upon it on its way may be conjectured when it is borne in mind that 5 candarines, or $3\frac{1}{2}d$., is on an average sufficient to pay all charges of freight, insurance, &c., upon a piece of shirtings conveyed by foreign steamer to Hankow, a distance of 600 miles.

Similar imposts are placed upon export produce on its way down from the interior: and every effort is made by the Chinese officials to prevent the possibility of foreigners making purchases up country. For instance, we call your Excellency's attention to the Appendixes; and to show the extent of the internal dues upon native produce, it is only necessary to refer to the Report upon Trade for the past year by the Commissioner of Customs for Shanghae, who states the levy on silk to be 30 taels per picul, equal to three times the amount of the export duty.

In this manner the spread of foreign trade in China is effectually prevented by the local officials. A handsome Customs revenue collected by the assistance of foreigners themselves at the Treaty ports, proves insufficient to secure the freedom of trade in the country. On the contrary, the restrictions placed upon the movement of foreigners, and more especially the imposts laid upon foreign manufactures, are such as entirely to restrict business to the Treaty ports, and what is of more importance as respects the development of our trade, to preclude the possibility of the consumption beyond a most confined area, of such foreign manufactured goods as the natives may take into the interior. Your Memorialists fully recognize that the Chinese have the right to tax their own subjects as they see fit, but would submit that right to be limited *quoad* foreign commerce, by the Treaty. Whatever doubts may exist as to the interpretation of some of its clauses, there can be no question that the Treaty of Tien-tsin was intended to enable us to send our manufactures for sale among the natives of this country upon payment of defined import and transit duties, and without further taxation or restriction; and it cannot but be a subject of the deepest regret that the meaning of the Treaty is evaded, and that the privileges which it was imagined would be secured by it are lost, through the unwillingness or inability of the Imperial Government to prevent the local officials from acting in direct opposition to its clear terms and provisions.

Tonnage dues not applied as stipulated by Treaty.

Your Memorialists also beg respectfully to call to your Excellency's attention the manner in which the Imperial Customs have evaded the responsibilities of apportioning a part of the revenue to the protection of the trade upon which it is levied, by the

erection of the necessary light-houses and beacons at the approaches to the open ports, as provided by Treaty. It is only within the last year that any steps have been taken towards the lighting of the entrance of the River Yang-tsze, although the necessity for this step has been repeatedly brought to the notice of the Customs Authorities. The tonnage dues upon foreign shipping at this port amounted, during the year 1866, to 96,000 taels.

Suits between foreigners and Chinese not properly adjudicated.

Finally, the administration of justice in disputes between foreigners and Chinese urgently calls for the attention of the foreign Powers in the revision of the Treaty. The Articles with regard to this important matter are completely a dead letter. The prevarications, delays, and excuses of the local authorities give defaulters ample time to escape, bribe or get rid of witnesses, destroy evidence, and make away with their property. Very seldom is anything recovered for the foreigner. At the minor ports it has become almost an impossibility to get back debts or stolen property, or even to have any punishment accorded to the delinquents. At Shanghae a remedy—perhaps the true one—has been sought in the establishment of a Mixed Tribunal, but until that Tribunal has far greater powers to carry out its decisions, and until the mode in which it is conducted be entirely changed, and some definite code of law and procedure introduced, it can be of very little use. The wealthier Chinese with whom we have dealings are all members of powerful guilds, who afford them protection and practical immunity in times of difficulty. Under the present system, at all the ports except Shanghae, a foreigner aggrieved by a Chinese applies to the Consul, who writes his complaint to the Chinese Authorities, but they have always one answer ready, "The case will be examined." There the matter virtually ends, for nothing is known of the real action taken by the native officials. Communications are sent in reply to the Consul, that "the investigation is not yet terminated," or that "strict orders have been issued;" but the plaintiff and defendant are not brought face to face. The charge is accepted entirely from the Consul's despatch; none of the foreigner's witnesses are summoned; no examination of the foreigners concerned is attempted by the Chinese, and the answer of the Chinese defendant is seldom if ever made known to the plaintiff. Such a course is manifestly unjust to all parties. It is in the nature of things that wrongful or false charges may be made against natives by foreigners, and that Chinese may make such false stories in defence as they think likely to relieve them of their responsibilities. Cases might be quoted from almost every Consulate in China in which justice has been entirely frustrated by the delays imposed by the officials or by the want of evidence, which the Mandarins never seem to require.

The Mixed Court.

At Shanghae, where a Mixed Court has been for some years in operation, very little practical amelioration of this state of things has been obtained; and the absence of any known system of civil law among the Chinese makes it impossible for a foreigner dealing with a native to feel that he possesses remedies against ill faith, or security for the enforcement of contracts.

Summary of defects.

The above are the main points in which the working of the Treaty has been found defective; and your Memorialists trust that your Excellency will be pleased to direct the attention of Her Majesty's Government to their consideration. The matters requiring revision may be briefly classed under three headings. First, those of a purely political nature; secondly, those of an administrative nature; and finally, those of a judicial nature. Under the first category stand the questions of residence in the interior; under the second, those of transit exactions, and the application of the tonnage dues to the erection of lighthouses, &c.; and under the last stands the important matter of making provision for the administration of justice in disputes both as to Customs confiscations, and also as to contracts and mercantile engagements between foreigners and Chinese.

Suggestions of the Chamber.

Upon these various points your Memorialists beg respectfully to lay before your Excellency the views which they have formed after nearly eight years' experience of the working of the Treaty, and from careful observation of its nature.

Political. Residence in the interior.

With respect to residence in the interior, your Memorialists would observe that it seems almost beyond a question that unless this privilege be accorded, the force and bearing of the Treaty applicable to the freedom of trade from the arbitrary restrictions placed upon it, will be wholly lost. So long as we are confined to the Treaty ports, it is within the power of the Chinese officials to tax our trade to any extent they please; and experience has fully demonstrated that they will not hesitate to make use of this power.

The right of renting land and houses in the interior would pave the way to the introduction of railways and the development of the mineral resources of China, and your Memorialists need scarcely refer to the important advantages to be derived by all interested in steam navigation from the efficient working of the coal fields of China. The recent discovery of coal mines near Chin-kiang, in a particularly favourable position, gives a practical bearing to the question.

Should Her Majesty's Government not be of opinion that the Treaty will admit of residence in the interior, it is the earnest hope of your Memorialists that they may consider it advisable to negotiate for this privilege, or, at all events, for the right of residence within a fixed radius, of perhaps 200 miles from some or all of the Treaty ports.

Your Memorialists suggest that licenses from the Consuls at the various Treaty ports should be issued, and regulations framed under which the foreigner in the interior would be liable not only for the payment of all personal taxation to which he, in common with his Chinese neighbours, may lawfully be subject, but also for his appearance at the licensing port on the summons of his Consul, to answer any charge which may be preferred against him.

Your Memorialists are not of opinion that the privilege would be at first numerously availed of, the necessary agents skilled in the language not being at hand; but they are impressed with the conviction that the residence of qualified foreign agents at the principal internal marts is the only means of deriving accurate information regarding the sources of supply, and the wants of consumption, without which no trade can be conducted on a sound basis.

Your Memorialists consider the presence of these agents in the interior, and the fixed commutation of local taxation known as the transit dues, to be the proper safeguards against the exhaustive and illegal levies which are sapping the foundations of profitable traffic, and promising to render nugatory all the advantages offered by the Treaty.

Inland navigatic

Closely allied to the privilege of residence in the interior in its bearing upon the progress of trade and the protection of traffic from arbitrary imposts, is the right to convey specie and merchandize in steam cargo boats up and down the navigable creeks connecting the country districts with the shipping ports, on which subject the Chamber of Commerce addressed your Excellency at length on the 25th July, 1866.

Two different qu tions confounde

It is desirable to point out that two very distinct questions appear to have been confounded with regard to this matter. That of navigating the whole of the rivers in China with vessels bearing foreign flags had become mixed up with the minor one of a merchant being permitted to send into the interior small steam cargo boats for the purpose of transmitting his treasure and goods, or bringing down such produce as he may have purchased. The former question, viz., the right to navigate all the rivers and waters of China in large steamers, is one which your Memorialists are not prepared to open; but the latter, which applies only to the employment of small steam cargo boats, is of considerable importance.

The acquisition of the right has been advocated for the reasons that it is in accordance with the spirit of the Treaty, that it will substitute for an antiquated system of carriage, at once expensive and hazardous, a speedy, cheap, and safe mode of lighterage, and will afford a safeguard against illegal levies upon merchandize *in transitu*. The Chinese have opposed the innovation, on the grounds that classes of the population would be thrown out of employment, and that control over the foreign crews would be impracticable.

Your Memorialists need not expose the fallacy of the economical grounds on which opposition to the proposal is offered by the Chinese Government, or enter at length upon a consideration of the manifest benefits which would accrue no less to the interests of trade than to the amelioration of the condition of the Chinese people, from free communication between the coast and the interior; but with regard to the exercise of control over the proceedings of the boats and their crews, your Memorialists consider that all that would be necessary to secure the Chinese Government from evasion of their fiscal regulations, and the native population against lawless outrages, would be to apply to foreign craft the same system which is already in force with regard to native boats, viz., that the steamers should he registered at the Custom-house of the Treaty ports to which their owners may belong, and bonds taken from responsible sureties that the vessel shall be confined to legitimate traffic, and their crews be held promptly amenable to the jurisdiction of the Consular authorities. It may also be deemed desirable to make stipulations as to the capacity and build of the steamers which it will be lawful to employ.

Administrative Illegal local ta tion.

Passing from political questions to those of an administrative nature, your Memorialists would respecfully urge upon your Excellency's consideration the urgent necessity for an Imperial declaration to prevent illegal local taxation and the exaction of dues upon foreign goods *in transitu*.

The levy of a single cash upon foreign manufactures in excess of the Treaty dues ought, it appears to your Memorialists, to become the subject of prompt remonstrance on the part of the Consul and immediate demands for redress. Whatever may be said about the right of the Chinese to tax their own subjects, it cannot by any plausibility of argument be held that a Chinese official has the right to send his servants into a foreigner's warehouse in order to ascertain what goods have been sold by him, and to exact a fixed

contribution from the purchasers in excess of the Tariff rates already paid. Your Memorialists beg to illustrate their views by putting the question of what would have been said, if, immediately after the conclusion of the Cobden Treaty with France, the French Government had proceeded to make a tax, not upon English goods, but upon those who traded in them—or what would have been thought if, in the British Parliament, a poll tax had been voted upon all persons who dealt in French wines? It is scarcely to be imagined that such ill-faith would have been tolerated, and yet it is what we are submitting to in China.

The Chinese officials are never at a loss for a plausible excuse to levy taxes of this nature. At one time it is a war, at another a famine, at a third a rebellion; and the most noticeable feature in the matter is, that when once a tax of this kind has been imposed, it continues in force long after the cause of its being originally raised has ceased to exist, and when no excuse whatever can be found for its levy.

Chamber suggests that no local taxes in excess of Tariff be levied without express sanction of the Foreign Ministers.

Your Memorialists, therefore, suggest that, seeing the constant bad faith which the native authorities are guilty of, it would be desirable to stand strictly upon the Treaty rights with regard to duties, and insist that any taxes raised upon foreign goods, or upon those trading in foreign goods on account of their so trading, should be considered as a gross disregard of Treaty obligations on the part of the Chinese authorities, and the occasion of an urgent claim upon the Government.

Transit dues.

In respect to transit dues, your Memorialists are strongly in favour of the system which provides for a commutation of inland dues upon imports and exports; and upon careful consideration, are of opinion that a great advantage would be gained by making the transit duty of 2½ per cent., as leviable by Treaty, payable at the market in which export produce is bought or imports sold, in place of paying it as at present, into the foreign Customs. It is naturally a source of vexation to the local authorities that dues which, according to custom, formerly came into their own coffers, should be now paid to the Provincial Exchequer subject to Imperial control; and it is also to be remembered that to a certain extent, this is an injustice to those officials who look to taxes upon the produce bought or goods sold in their districts as the means of raising their revenue. Under such circumstances a strong prejudice is naturally felt by them against foreign trade; and they are under temptation to impose taxes upon produce bought by foreigners; while in consequence of no other duty being levied on it in the district, they are able to do so without fear of popular discontent.

Chamber suggests they should be paid at places where goods are bought or sold.

If, however, the transit dues were paid, as they should be, to the local officials at the place where the transactions occur, the mandarins would welcome the foreigner and be inclined to foster his trade, seeing that it would contribute handsomely to their local revenue. All that would be necessary for carrying out this arrangement in the case of exports would be that the foreign merchants should be required to lodge at the Custom-house of the port of export a receipt from the Chinese official in the district where the goods had been bought, for the amount of transit dues payable by Treaty. In the case of imports a receipt could be handed to the agent in charge of the goods by the Revenue Authorities at the place where the cargo may be sold, and should be returned to the Customs office within a reasonable period.

Application of tonnage dues.

The arrangement of some more definite system for deciding upon the manner in which the tonnage dues should be devoted to the erection of light houses, &c., is a matter which also calls for attention. The provisions of the Treaty with respect to this are somewhat indefinite. Art. XXXII provides that—

"The Consuls and Superintendents of Customs shall consult together regarding the erection of buoys and lightships as occasion may require."

There being no definite statement of the manner in which a decision is to be arrived at, the results of these consultations have, up to the present, been both tardy and inadequate to meet the just requirements of trade. It would, therefore, be very desirable that some definite rules for arriving at decisions in this matter should be framed. It has practically been left entirely in the hands of the Chinese authorities; but it is evidently the spirit of the Treaty that foreigners should have some security for good faith being kept with regard to this matter.

Municipal.

It may not be out of place here for your Memorialists to point out that the clauses of the Treaty providing for the protection of the life and property of foreigners by the Chinese authorities is to a great extent a dead letter, as they do not contribute in any way to the police expenses which have been found necessary for the maintenance of order at the larger ports. Your Memorialists are of opinion that, while in every way it is advisable to strengthen and foster the municipal institutions established under the land regulations, and to leave in the hands of the various Councils the duty of providing for the peace, good order, and government of the settlements, it is only just that the Chinese should be called

upon to contribute to the police expenses of each port a per-centage on the taxes annually required to be raised.

Finally, your Memorialists would beg to urge in the strongest terms upon your Excellency's notice, the pressing necessity for a thorough reconsideration of the judicial clauses of the Treaty and the manner in which they have been interpreted. Judicial.

A reference to Clauses XVI and XVII of the Treaty of Tien-tsin will show clearly that a misapprehension has influenced the interpretation of the provisions with regard to disputes between foreigners and Chinese subjects. Clauses XVI and XVII of the Tien-tsin Treaty run as follows:— Criminal suits and civil suits between foreigners and Chinese.

"XVI. Chinese subjects who may be guilty of any criminal act towards British subjects shall be arrested and punished by the Chinese authorities, according to the laws of China.

"British subjects who may commit any crime in China, shall be tried and punished by the Consul, or other public functionary authorized thereto, according to the laws of Great Britain.

"Justice shall be equitably and impartially administered on both sides.

"XVII. A British subject having reason to complain of a Chinese, must proceed to the Consulate and state his grievance. The Consul will inquire into the merits of the case, and do his utmost to arrange it amicably. In like manner, if a Chinese has reason to complain of a British subject, the Consul shall no less listen to his complaint, and endeavour to settle it in a friendly manner. If disputes take place of such a nature that the Consul cannot arrange them amicably, then he shall request the assistance of the Chinese authorities that they may together examine into the merits of the case, and decide it equitably."

In these two clauses the distinction between criminal and civil suits is very carefully observed. The former being in reference to offences against the State, and in case of natives, against the Emperor of China, independent jurisdiction is recognized in such cases as belonging to the Chinese officials. In the latter a different position is taken. Such cases are not of the nature of personal charges against a Chinaman when he happens to be the defendant; but of disputes between two parties, and the property, or money in dispute, cannot, until the matter is decided, be held to belong either to the one party or the other. A manifest injustice is, therefore, done to the foreigner if, whenever he brings a suit against a native of China, he is dependent only upon the doubtfulness and corruption of the native mode of arranging such matters. The Chinese have no known code of civil law, and it is impossible for a foreign merchant to become acquainted with the security afforded by the Chinese Courts for the fulfilment of native contracts. On the other hand the Chinaman has the full benefit of European law. When a foreigner fails to fulfil his engagements, the native has only to enter a plaint against him in the Court of Consulate to which he may be subject, and substantial justice is obtained. Distinctions drawn by the Treaty.

It is observable that at the minor ports the spirit of Article XVII is more closely observed than in Shanghae where a Mixed Court has been established. In the ports where such an institution does not yet exist, the Consul investigates the charge, and sends his decision to the native authorities with a request that it may be enforced. Of the defects in this system your Memorialists have already spoken. Those defects it was hoped the establishment of a Mixed Court would in a great measure remove; but while this step secured the advantage of bringing plaintiff and defendant face to face, it is doubtful whether more harm than good has not resulted from the abandonment in that tribunal of much, if not all, of the right of joint jurisdiction, which it is the obvious aim of the Treaty clauses to secure. The theory of jurisdiction in the Mixed Court in civil suits is that Chinese law is the basis upon which the suit is to be decided; and injustice is frequently done to a foreign merchant by some so-called law or custom being quoted against him of which he could by no possibility have cognizance.

Attempts have been made to discover some of the general principles of Chinese commercial law; but they have resulted in complete failure, it having become at each new stage of the investigation more evident that nothing which can be dignified by the name of civil code exists in China; disputes being for the most part settled by reference to the Guilds or by other arbitration, the Chinese magistrates being only looked to to enforce the decision so arrived at. It is needless to point out how foreign interests are likely to be respected by Trading Guilds, deeply concerned in opposing them in every way. No Chinese Commercial Law known.

Thus, in the opinion of your memorialists, it is essential to the proper conduct of trade that a more stringent interpretation than that hitherto adopted should be put upon Clause XVII of the Tien-tsin Treaty. It cannot be reasonably expected that the Chinese will abandon the right to be parties to all judicial proceedings in which native interests are involved. Even if they could be induced to do so, the necessity of calling upon them to enforce the decisions of the Consuls would call for their co-operation.

But it appears evident from the reading of the Treaty, that a joint tribunal, basing its decisions upon the broad principles of justice, was in contemplation when the Instrument was framed, and not a Court, which, being guided by so-called Chinese law, leaves the decision entirely with the Chinese magistrate, and does not afford scope for the exercise on the part of the foreign assessor, of that authoritative action by which alone we can hope to obtain justice.

Your Memorialists are of opinion that, in the adjudication of suits wherein Chinese subjects are defendants and foreigners plaintiffs, the Court shall be composed of the Consul or his qualified deputy and native officials of equal rank, having co-equal and concurrent jurisdiction. At the minor ports, where no rules of procedure have been framed, it is desirable provision should be made that the local Authorities shall, on the requisition of the Consul, appoint a time for the hearing of the plaint not later than six days after the receipt of the notice, when the Consul, together with a Chinese magistrate, shall hold a Court for the investigation of the facts, and a decision upon the suit at which the plaintiff and defendant shall be present, and the attendance of witnesses compelled. At Shanghae and any other important place where it may be found necessary to hold sittings at regular intervals, your Memorialists suggest that the Mixed jurisdiction should be separated into inferior and superior Courts. The Mixed Court originally designed as a mere Police Court has proved itself to be entirely unfitted for the adjudication of civil suits of any importance. In attempting to decide them it has departed from its proper sphere, and the results have been shown in much discontent and many contradictory judgments.

Your Memorialists, therefore, propose that the Mixed Court, consisting of a junior native Magistrate, in conjunction with a Consular assistant, should take charge of police cases and civil causes, involving sums not exceeding 200 taels. That a higher Court, consisting of a native officer especially deputed, should be charged, in conjunction with a Consular Officer of not lower rank than Vice-Consul or Acting Vice-Consul, with the adjudication of suits for sums exceeding 200 taels and not exceeding 3,000 taels, —a right of appeal to stand to a superior Court, to be comprised of the Taoutae, or other native official of similar authority and the Consul or Acting-Consul. This Court to have cognizance of all cases involving claims exceeding 3,000 taels, and appeals from its decisions to be made to the Minister and high Authorities at Peking. In all cases the Courts *should* have power to enforce their decisions, which, being duly recorded would speedily form themselves into a code of law applicable to the settlement of all disputes likely to arise in the conduct of mercantile transactions.

Decisions as to Customs confiscations.

There is also great need of a more efficient system for the protection of foreign interests in cases of Customs confiscations and fines. The instances recorded in correspondence between your Excellency's predecessor and the Chamber of Commerce testify to the injustice which has too frequently been suffered upon this score, and the desirability of measures being adopted to avoid their recurrence.

Mr. Wade's Rules defective in two points.

The Rules framed by Mr. Wade when Chargé d'Affaires, in conjunction with the Chinese authorities, are defective in more than one essential point. They provide for a species of Mixed Court in which the Chinese Superintendent of Trade is to be sole judge, though the Consul is to be invited to take his seat with him. In the event of the Consul differing in opinion with the Chinese Superintendent of Trade, the matter is to be referred to Peking.

The subordinate position of the Consul.

The subordinate position thus to be assumed by the Consul appears, in the humble judgment of your Memorialists, to be a noticeable retrogression from the terms of the Treaty of Nanking, which is confirmed and embodied in that of Tien-tsin. The Nanking Treaty (Article II) provides that "the Consul shall see that the just duties, &c., are discharged," and from this it would appear that at all events in such cases as do not contain *primâ facie* evidence of fraud, such as, in fact, could be without question considered to be within the meaning of the word "smuggling" as used in Article XLVIII of the Tien-tsin Treaty, the Consul as the right to intervene with the Chinese authorities; and hence the invitation to him merely to attend an investigation is a virtual denial of a wholesome power already delegated to him.

There being no appeal when the Consul and Chinese officer agree.

A great defect, moreover, in the Regulations agreed to by Mr. Wade consists in the provision that in the event of the Consul agreeing with the decision of the Chinese Superintendent of Trade, the decision is final.

Legal opinions.

Your Memorialists are informed that two of the best legal authorities in England, namely, Sir Fitzroy Kelly and Sir James Atherton, being called upon to advise upon the question of confiscations and fines by the Chinese Government, have, in conjunction with very able associates, recognized the right to confiscation as belonging to the Chinese, it being among the rights of sovereignty of the Chinese Government, which have not been given up by Treaty.

Distinction between

It is noticeable, however, that Sir James Atherton draws a very important distinction

between confiscations and fines. The former, he regards as against the thing, the latter against the person; a fine being of the nature of a penalty inflicted for a crime, and its ultimate mode of enforcement being by seizure of the person. In the case, therefore, of fines being inflicted, Sir James Atherton recognizes British subjects as being under the protection of the exterritoriality as provided in clause XVI of the Tien-tsin Treaty, and holds that in such cases the Chinese authorities are bound to refer the matter to the Consul for his adjudication.

confiscations and fines.

This being the case, your Memorialists suggest that great advantage would result to the interests of trade by provision being made that the Chinese officials should in all cases effect a seizure merely with the object of obtaining tangible security for the payment of such just fine as may be inflicted by the Consul or Court of the foreigner concerned. It is unreasonable, seeing the irresponsible power of provincial authorities, that they should be permitted to confiscate the property of a foreign subject upon mere suspicion of smuggling, or to inflict a punishment, no matter of what magnitude, in the event of an attempted evasion of the Revenue laws being proved. Numerous instances could be cited to show that confiscations have been made and heavy fines imposed for simple breaches of the letter of the Customs' Regulations, involving neither the possibility of fraud nor the loss of revenue. It is noticeable that in the Treaty between France and China it is stipulated in Article VII that, in the event of a seizure of a vessel in a non-Treaty port, the French Consul at the nearest port must be communicated with before either seizure or confiscation can be pronounced legal, and by the Prussian Treaty no fine or confiscation can be enforced without the consent of the Consul.

Chamber suggests confiscations should only be made as tangible security for fines.

In reference to the numerous questions and disputes with the Chinese authorities, which from time to time arise at the various ports, your Memorialists desire to draw attention to the infinite advantages which would attend the more frequent presence of the Superintendent of Trade at the chief centres of foreign commerce; and respectfully to suggest that an annual visitation should be made. Your Memorialists may instance in support of their views in this respect the benefits derived from the recent visit of your Excellency to this place, when many questions of general interest, on which much misconception prevailed, were set at rest, and one serious dispute with the Chinese Authorities connected with an important branch of trade, which had been agitated for years, was promptly settled. In fact, it cannot be otherwise than an undoubted advantage for the Superintendent of Trade to become personally acquainted with the wants of the commerce he is appointed to supervise.

Chamber suggests that the Superintendent of Trade periodically visit the ports.

To summarize the few remarks which your Memorialists have had the honour to submit to your Excellency, it would appear that the Treaty of Tien-tsin is in the main fitted to the object for which it was designed, if carried to its legitimate conclusions, that is, to conclusions in accordance with the spirit in which it was framed, and the principles upon which it is based; and any revision sought for should be directed not so much to the acquisition of new privileges as to a confirmation and extension of those already granted. As the Treaty has been interpreted, the slightest infraction of its provisions on the part of foreigners is immediately punished by the power and authority of the Government to which the offender belongs; but demands against the Chinese Government for the redress of injuries sustained by foreigners appear to be regarded rather with reference to political than judicial considerations, the maintenance of the dignity and prestige of the Chinese Government seeming to weigh more with the Foreign Authorities than the spirit of the Treaty or the claims of justice. Thus, up to the present time, the Treaty has failed, not from its nature, but from its interpretation; not from defects inherent in its provisions, but from the mode in which its provisions have been carried out. To open China to foreign commerce is clearly not the work of a day. A Treaty, however ably drawn up, is obviously insufficient to clear a way through time-honoured obstructions, and to substitute for an antiquated régime of protection and monopoly, a system embodying the true principles of free trade and progress. The labour of doing this was wisely left in the hands of the Plenipotentiaries and Superintendents of Trade at Peking. To them was delegated the duty of seeing that the principles enunciated in the Treaty should become embodied in action; that any attempts on the part of the Chinese Government to evade its stipulations should be speedily checked; that subtle arguments for curtailing its privileges should be rebutted; that illegal levies should be suppressed; that the securities for the administration of justice should be held with a tight hand.

Resumé.

So far as this duty has been performed the Treaty has succeeded; so far as it has been omitted the Treaty has failed; and fail it will, whatever its terms, if the privileges granted by it be not scrupulously and vigilantly protected against the constant opposition of a Government as subtle in design as unscrupulous in action. But if the principles and objects of the Treaty be watched and guarded, your Memorialists can see no reason to

doubt that it will prove all that is wanted for the advancement of commerce, by bringing into closer contact with one another the European and native producers and consumers, no less to the benefit of the Chinese people than to the development of foreign trade.

The Tariff.

In the Tariff of Duties your Memorialists do not consider that important alterations are called for. Serious disturbances of the value of some staple articles of import and export have occurred since the Tariff was framed, under the influence of exceptional conditions, which are fast passing away, and prices generally are settling down upon the basis arranged in 1860. Thus cotton goods are rapidly declining to their normal value, temporarily enhanced by the American war; and the production of silk, which at one time seemed threatened with extinction consequent upon the rebellion, is now recovering its former position. With regard to tea, your Memorialists feel that the only ground on which they can put forward a claim to a modification of the duty, is the general principle that any measure which tends to lessen the cost of an article of necessity confers a boon upon the world at large, and they doubt not your Excellency will endeavour to effect any reduction which may be politically expedient.

The few articles on which alteration of the duty seems desirable are the following:—

Tea Dust—is charged with a duty almost prohibitory of its export and utterly out of proportion to its cost, which is about 5 taels per picul, so that an impost of 3 mace per picul would be ample to charge upon it.

Black and White Pepper—are taxed too heavily, and a duty of 2 mace per picul on the former and 4 mace on the latter would appear to be sufficient.

Watches.—A 5 per cent. *ad valorem* duty would be fairer than the present system.

Tin Plates.—A reduction of duty to 2 mace is desirable, the present rate being excessive.

Timber.—There is no properly defined method of charging the duty on the various kinds of timber which are imported. The attempt to classify certain spars and charge fixed duties is found in practice to be very unfair. It is suggested, therefore, that on the subject of timber duties a Conference should be held between Her Majesty's Consul, assisted by the Chamber of Commerce and the Commissioner of Customs, to arrange an equitable Tariff on the basis of 5 per cent. *ad valorem* duty.

Coals.—It would be a great boon if the importation were entirely free as formerly. The loss to the Chinese revenue would be trifling, and almost the whole of the coal imported is for foreign use, either by steamer or manufactories. It is not on the ground alone of the actual tax, which is sufficiently small, that the exemption from duty is urged, but because the collection is vexatious, often causing delay to vessels, by interfering with steamers coaling at any moment required.

The question, however, is intimately bound up with that of the duty to be levied upon native coal, and, as your Memorialists trust that your Excellency's influence will be used to promote the opening of the Chinese coalfields and the efficient working of them under foreign superintendence or by foreign capital, they leave the matter for your Excellency's consideration.

Salt.—This article is, according to the Treaty, prohibited, but it would appear to your Memorialists that a very large and important trade could be inaugurated in salt between China and Great Britain without in any way interfering with the Chinese Government monopoly. The salt imported could be sold to the Government in the same manner as the native salt, and the collection of the duty would not in any way be impeded; a plan, referred to in the Appendix as extracted from a local newspaper, suggests probably the best mode by which its importation may be commenced without alarming the susceptibilities of the Chinese in regard to this Government monopoly.

Rice.—Your Memorialists are of opinion that foreign rice should be allowed to be exported free of duty. It not unfrequently happens that when there is a surplus on the China markets, the article might be re-exported to advantage to neighbouring countries. This was the case two years ago when there was a quantity of rice in Shanghae that might have been re-exported to Japan, but for the export duty of 1 mace per picul. The Chinese prohibition against the export of rice, it is needless to mention, is designed only against shipping off the produce of the country and does not apply to foreign cargo.

Drawbacks.—Connected with the Tariff is the subject of drawbacks for duties on re-exports. The present method with regard to these is fraught with great injustice.

Drawbacks, provided the goods re-exported have not been imported for a period

longer than twelve months, and not otherwise, are granted by certificates available for the payment of duties.

It appears to be only just that on a re-exportation of foreign goods, the duty should be repaid, as received, in sycee, but the present mode makes it incumbent upon the holder of certificates to buy produce or to import goods in order to turn them into cash, an alternative of particular hardship to any person engaged in intermitting trading operations.

The Chinese Government having the use of the money while the goods remain in this country can offer no good reason for throwing difficulties in the way of its repayment on their re-exportation. The question as to the period of time during which duty on re-exportation will not be allowed is not an unimportant one. The taste of the Chinese people with regard to assortments of fancy goods is constantly changing, and frequent rebellions in the country throw classes of manufactures, which are consumed in particular districts, out of use. The consequence is, that stocks of unsaleable goods are often to be met with which have been in the country upwards of a year, the loss on which by re-export it seriously aggravated by the duty charge.

It appears to your Memorialists that not only no limitation should be placed upon the time during which the duty will be returned, but that the drawback also should be paid in cash, and they trust that your Excellency will support their views.

The privilege of considering the ports of Japan and Hong Kong within the limits of coasting voyages having been granted by the Chinese, it is suggested that a clause to confirm the right should be embodied in the Treaty.

'*Articles imported for Foreign use only, Stores, &c.*—It is obviously the intention of Rule 2 of the Customs Tariff to exempt from duties all articles imported for the sole use of foreigners, but latterly duties have been levied on articles which, though not specially mentioned, appear to be entitled to the privilege by the spirit of the rule.

Your Memorialists trust that your Excellency will seek to obtain a general exemption from duty, for all articles specially imported for foreign use; and may urge in support of their claim, the excessive cost of living at the Treaty ports; while the enormous duties derived by the Chinese Government from foreign trade may fairly be used as an argument for the continuance of the privilege.

(Signed) GEORGE TYSON.
JAMES HOGG.
ROBT. I. FEARON.
W. J. BRYANS.
EGBERT IVESON.
WM. PROBST.
M. S. GUBBAY.
F. F. BORNTRAEGER.
E. DUNCANSON.
ALEX. TURING.
Members of Special Committee.

APPENDIX (A).

VALUES upon which a Duty of 3 per cent. is levied on Foreign Goods between the Sellers' Godown and Chinese Shops in the Settlement.

		Tls.	m.			Tls.	m.
Grey shirtings	per piece	1	85	Chintz	per piece	1	50
White „	„	1	95	Damasks	„	4	0
T-cloths	„	1	30	Muslins	„	1	20
American drills	„	2	80	Dimities	„	1	50
„ jeans	„	2	80	T. R. cambrics	„	2	40
English drills	„	2	90	Medium cloths	„	20	0
Handkerchiefs	per doz.	0	50	Spanish stripes	„	20	0
White spots	per piece	1	80	Camlets	„	18	0
Dyed spots	„	2	40	Long ells	„	6	0
White brocades	„	2	40	Lastings	„	12	0
Dyed „	„	3	0	Figured Orleans	„	5	0
Velvets	„	5	0				

N.B.—The existence of these exactions is mentioned in Mr. Fitzroy's Report upon the Trade for 1866, but he states the Imperial Customs Office are in no way responsible for them.

Appendix (B).

Messrs. Little and Co.'s Teas.

(From the "Shanghae Recorder."

A parcel of teas, for which a transit certificate had been issued at the Consulate to Messrs. Little and Co., was, on its way from the Chekiang province to this, detained at the Shanghae barrier, the Consular transit pass being entirely ignored, notwithstanding that it bore the seal of the Taoutae. On reference to the head Customs authorities at the district capital, Messrs. Little and Co's Agent was told that he must enter the teas in his own individual name as Chinese produce, or they would not be allowed to pass. By Treaty the transit tax on foreign owned produce is fixed at 1 tael 26 mace per picul, or one half the Tariff rate for export duty, but the native tax at this barrier alone amounted to more than double this sum. After some days' delay caused by reference to the chief provincial Customs, the Agent paid the tax demanded, receiving the usual vouchers. On arriving at the Namtow Customs a further tax of 4 mace per picul was demanded. Here all former vouchers have to be given up; but meanwhile Messrs. Little and Co. succeeded through the vigorous remonstrances of Mr. Consul Winchester with the Chinese Superintendent of Trade, in obtaining a release of the teas and an undertaking from the Taoutae to refund the excess of duty illegally collected.

Appendix (C).

Mr. Major's Cocoon Establishment.

(From the "Shanghae Recorder.")

Mr. Major, a gentleman well known for the improvements he introduced into the filature of silks in Italy, formerly contemplated carrying out a similar enterprise in China, up the country; but when the reading of the Treaty became known, he was forced to confine his operations to Shanghae. He recently proceeded up the country to a spot about 20 miles from Kahing, for the purpose of making arrangements to purchase cocoons. From experience he had found that there was great difficulty in inducing the Chinese to lend houses for conducting the process of killing the insects, as this had to be done by heating in ovens and was not unattended by risk from fire. The Chinese, therefore, systematically refused to lease houses for the purpose, unless a guarantee were given to them against fire to an extent much greater than the value of the premises, and having procured this, they more than once set fire to the buildings for the purpose of obtaining the money. Mr. Major accordingly contemplated conducting this operation in an iron house which his Chinese compradore was to take steps to have erected. The Chinaman obtained the necessary permission from the local authorities and the building of the house commenced. When it was half completed, however, some petty officials came to the scene of action in a mandarin boat, and stated that the work could not be proceeded with; at the same time hinting at bribes. These, however, not being forthcoming, they persisted in their orders that the buildings should be taken down, and the demand was accordingly complied with. A request was, however, made that the ovens should be allowed to stop, but this was also refused; and in the course of the parleys with reference to it the Chinaman in Mr. Major's employ foolishly went on board the Mandarin boat, when the anchor was immediately heaved up and the vessel made off. After some difficulty the Mandarin junk was caught up, and the Chinaman released. Mr. Major then insisted upon the authority under which the officials acted, being shown to him, when it appeared that it only instructed them to order the house to be taken down, and in the event of their instructions not being complied with, to report to their superior official, and did not in any way authorize them to arrest the Chinaman. They then attempted to obtain possession of the paper granting authority for the erection of the house; but this was naturally refused them; and, armed with this document, Mr. Major has returned to Shanghae, and has, we believe, made a complaint with regard to the matter to Her Britannic Majesty's Consul. There is good reason to conclude that the opposition was instigated by the Chinese dealers in cocoons, who saw in the contemplated operations a competition in their trade, and it appears wrote a letter to the native authorities on the subject.

Appendix (D).

Referred to in Tariff under the head of Salt.

(From the "North China Daily News.")

While the Austrian Government continues to monopolize the trade in tobacco and in salt, and the Russian that in alcohol, sufficient enlightenment can hardly be expected at Peking to prompt the spontaneous abandonment of so lucrative a monopoly as salt. But it may be worth while endeavouring to persuade the Chinese Government that the import of foreign salt does not necessarily imply loss of the large revenue now derived from the native article. On the contrary, if any parallel may be drawn between the consumption per head in China and other countries, so great a demand would follow a reduction in price, that an equal revenue might be realized from a much smaller duty. The consumption of salt in England is, we believe, estimated at 15 lbs. per man. To multiply this amount by the population of China is to travel into the regions of romance; but the contemplation of vast quantities on paper is at least a harmless amusement. Taking then the population at 300,000,000, we arrive at a consumption of 4,500,000,000 lbs., or about 2,000,000 tons per annum. which might be taxed a hundred per cent. *ad valorem*—yielding a revenue of 6,000,000*l.* per annum,—and yet sold at half the price to which the native article is raised under the present system. To be more practical, however, we may take the case of India, into which about 200,000 tons are annually imported—a fact which does not prevent salt yielding a revenue of 3,000,000*l.* annually to the Government. It is only necessary to add that English salt could be laid down in China for about 3*l.* a ton—the price of a few piculs of native—to show how great a subversion its introduction would effect in the trade, and how great a boon would be conferred on the population. The very change involved, however, would prove the greatest obstacle in dealing with a people so wedded to established custom. The proposition to abandon a certain revenue, and to demolish a whole system of taxation, on the faith of how good results soever from the change, would strike the most enlightened of the Imperial Councillors aghast. But though it is unlikely that the Government will abandon the monopoly, it may be possible to persuade them to permit the import of foreign salt into bonded warehouses, thence to be doled out, as at present, at an enormous profit. A great step will be gained if we can once get foreign salt, on whatever footing, into this country. Time would do the remainder. The Chinese, knowing that it cost only 3*l.* to 4*l.* a ton, would not be content to continue paying 8*l.* to 10*l.* A resting place, however minute, for the lever has been gained in the recognition of the private salt factories in the islands of the Chusan group. It rests with foreigners to widen the slight breach in the barrier of monopoly which has been wrought. Some idea of the oppressive nature of the present system of taxation may be formed from the fact that salt, costing 24 cash per catty on the banks of the Hang-chow River, cost 50 or 60 cash by the time it reaches Fychow—or somewhere about 20*l.* sterling per ton. Of course these enormous duties lead to smuggling on every available opportunity. But the theory exemplified in the penny post—that low duties, by promoting consumption, raise an equal revenue with higher taxes which check it—is of so recent date that we cannot be surprised if the Chinese refuse implicit credence in its truth. We can only hope to insert the thin end of the wedge, and leave experience to undermine still further the prohibitive policy of which we have now recognized the fallacy. A greater boon than the introduction of foreign salt could hardly be conferred on the Chinese, seeing how largely salted provisions enter into their daily food. And it is but fair to surmise that a large profit must accrue to the foreign importer. It is only necessary to contrast the selling price of the coarsely made private salt in China, with that at which a fine quality is obtainable in England, to appreciate the vast field for trade that would be opened up, if the Chinese could be persuaded to withdraw the existing ban. While the former costs, in Shanghae, 35 to 40 cash—about 1½*d.* per lb.,—more than five times this quantity of the finest salt is sold at home for a penny; and this again is about three times the original cost at which it can be purchased from the pits. But, as we said before, in this very difference lies an element of difficulty.

Inclosure 3 in No. 21.

Consul Winchester to Sir R. Alcock.

Sir, *Shanghae, November 7;* 1867.

I FIND that Mr. Forrest, during my short absence, received and forwarded the Memorial of the Shanghae Chamber of Commerce addressed to you on the subject of the revision of the Treaty of Tien-tsin. He has left to me the duty of commenting on it.

There is so much in this temperate expression of the collective views of the mercantile community with which I sympathize that it is painful to me to have discovered, in the arrangement of my thoughts, that the tenor of my despatch is likely to assume something more of an antagonistic tone than I could have wished it to bear. But there is, on the other hand, so determined an ignoring of the facts, beyond all possible control, which have interfered with what the Memorialists call "the full carrying out" of the provisions of the Treaty of Tien-tsin, and so resolute an ascription of the failure to the non-exertion of pressure which it was in the power of Diplomatic and Consular Officers to apply—to a disposition to endorse and uphold retrogressive views in influential quarters—and to a desire to overlook, in the interpretation of the Treaty, the element of progress—that I trust to be excused if I direct attention to some of the real causes which have checked the advancement of foreign commerce under the past operation of the Treaty.

Its stipulations were not only in advance of anything to which the Chinese Government were accustomed, but many of them conflicted with the principles of administration on which the local governments were carried on, and with their relations to the central power at Peking. The privileges granted to foreigners and the mode of working them out were so much in advance of the Chinese system that they might be said to involve a revolution. The Treaty presumes the Chinese Government to be a powerful, centralized machine, regulating the movements of the Provinces with unfailing accuracy; whereas its power, essentially limited in its original constitution, circumscribed by custom and tradition, has been weakened by internal rebellion and disorder of every kind, and annulled by the usual results of a bankrupt exchequer. The Treaty of Tien-tsin is based on the idea that the payment of certain duties—export, import, and transit—to the imperial revenue is a sufficient acquittance of all claims on articles with which foreign commerce deals—in a word, that the system of finance in the country is one and homogeneous; whereas the fact notoriously is, that each Province has its own financial system—that the Treaty Regulations not only withdraw the goods in which foreigners are really interested, from the levies of Provincial taxation, but were largely availed of by Chinese to cover goods in which foreigners have no substantial interest. This is a fact beyond the power of any merchant to deny; for it was notorious that at Ningpo, and, to a less extent, at Shanghae, there were certain foreigners who made a trade of at any moment, lending, or rather selling, their names for a few taels to mendacious applications for transit-passes in favour of exports and imports in which they had no concern.

Can it be wondered at if such a state of things presented difficulties to the Provincial authorities charged with the duty of finding revenue to carry on the Governments entrusted to their care? There was not only the withdrawal of the goods actually concerned in foreign commerce from fiscal obligations, but a system of fraud under cover of which the whole internal traffic of the Province would ultimately attain exemption. The native merchant dealing on the square—that is to say, paying the legitimate tolls leviable at the various Provincial and district stations on his goods—was paying one-half more towards the expenses of the local government than his fellow, whose acquaintance with foreigners enabled him to arrange the purchase of a transit-pass, contributed to the imperial finance.

One of the fundamental principles of the Chinese system—a very bad one it is—but it must be changed in some other way than as an incidental result of a commercial Treaty—is that each office is to find in the immediate charge with which he is invested the means of carrying it on. The Governor-General of the Two Kwang, for example, receives a salary of some three thousand a year, as the sole authorized revenue of his office, but of this sum he is supposed not only to provide for personal expenses—generally a moderate item with Chinese officials—but the whole state and pomp of a Vice-Royalty, the staff for conducting the official business of his post, a body guard to execute his orders and make his name feared, and a number of personal agents to overlook the collection and distribution of local revenue, to report on the proceedings of subordinate mandarins, and to keep him acquainted with the real condition of affairs in his province. Can it be wondered at, I may again ask, if by the imposition of lekings and by throwing obstacles in the way of the Chinese fraudulently availing themselves of foreign protection

they have endeavoured to protect from the operation of the Treaty provisions, the revenue on which they are dependent for maintaining the peace of their provinces, for keeping up forces for its defence, in a word for the execution of the functions the performance of which was the sole object of their official existence?

In the opposition which has been offered by Her Majesty's officers, Diplomatic or Consular, to the action of the Chinese authorities, as influenced by the condition of affairs above described, I venture to affirm that there has been no slackness in upholding either the spirit or the letter of Treaty right. Every mode and form of remonstrance known to peaceful international relations has been employed, and that most notably in reference to the illegal exactions referred to in the body of the Memorial and its Appendix, as specially connected with Shanghae. Her Majesty's Government has certainly not seen fit to invest her subordinate Consular officers with authority to present loaded pistols to the heads of the Taoutaes, or to approve of the Commanders of gun-boats threatening large cities with bombardment, or to derange the international fiscal arrangements, which are a main support of the central authority at Peking, by conceding to Consular officers the dangerous privilege of throwing the whole machinery of collecting Customs revenue out of gear by stopping duties. Had such a course of policy been persisted in, every one of the subscribers of the Memorial is as conscious as myself that a Government so weak as that of China could not subsist with such "stringent" displays of foreign influence. Five of these gentlemen, themselves, either personally exercise or are the partners of gentlemen invested by foreign Governments with Consular functions. They know admirably in that capacity that there is a wide space between the remonstrances permitted to friendly Governments and the employment of force on every occasion in which Treaty rights are denied or evaded. It is in the other capacity of Memorialists to the Representative of Her Majesty's Government that the doctrine of stringent pressure and the imputation of indifference to progress find their fitting place. I venture to affirm that there is not one of them who is not aware that such a stringent course of policy could only be pursued at the imminent risk of producing anarchy, and a total suspension of government and commerce at the ports or in the districts where such means were employed. They are all of good repute and intelligence, and sagacious enough to understand that pressure rashly applied must break the shell; and would be strong in the reprobation of any rashness which led to the disturbance or injury of their business.

It is for these considerations, that in discussing so important a subject as the revision, it is necessary to look beyond what is possible to exact by stringent pressure at a series of Diplomatic Conferences, to what, under all the circumstances of its weakness and disorganization—and of its imperfect control over its local officers—it is possible for the Chinese Government to concede with a due regard to its own safety and the working of its system. The officers of Governments like those of China and Japan are ready enough to make promises of improvements, and give assurances of progress consonant to our ideas, to get rid of the immediate pressure which weighs upon them; but what advantageth it to obtain a concession on paper against which we know it is a necessity of their policy to carry on a secret antagonism.

There is certainly no country in the world in which, in spite of all the deceit, evasion, and bad faith, and inherit dislike to foreign intercourse and improvements, it is more necessary for the Agents of foreign Governments to take a statesmanlike and enlarged view of the empire with which they are dealing. While there are acts done, and privileges refused through ignorance, obstinacy, and perfidy, to which no submission should be accorded, they ought to be a large and liberal allowance for the necessities of a Government so essentially weak and sick; a sympathy not with the disposition to resist progress, but with the difficulties which Chinese statemen, the administrators of the rule of a minor over a country gnawed to the core by open rebellion and secret disaffection, menaced also by the infidelity of its own officers, have to encounter in the introduction of alterations which the conservative feeling of the most exclusive nation in the world, stigmatizes as opposed to every time-honoured principle they hold sacred.

I propose, in the remainder of this despatch, to consider the subjects referred to by the Memorialists under three heads:—

1. Transit duties.
3. The navigation of the Yang-tsze, and other inland waters.
3. Right of residence at places other than those opened as Treaty ports.

Transit Duties.—Certainly no question connected with foreign commerce in China presents greater difficulties than this. It was raised originally by Article X of the Treaty of Nanking, which contained a blank that was never filled in till the first international

compact was superseded by the Treaty of Tien-tsin. Even if the rate had been subsequently fixed, no provision was made whereby the fact of any infringement of the stipulation could be ascertained. And as the goods were the admitted property of the Chinese purchaser, the supplying of the evidence was made entirely to depend on him. Such an arrangement was obviously inoperative.

In a Memorandum, dated 24th November, 1857, which will be found at page 205 of the correspondence in reference to Lord Elgin's special Missions, 1857-59, I ventured to state my opinion of the great difficulties which I then saw to lie in the way of any attempt to meet the views of the Canton Chamber of Commerce in reference to this subject. After the experience of the ten years elapsed since the Treaty of Tien-tsin became operative, it appears to me that what I then wrote is still applicable to the question of the hour. The extracts which refer to this point are herewith appended. Yet no plan could have appeared better calculated for overcoming these than the arrangements set forth in Article XXVIII of the Treaty about to be revised. The privilege was limited to goods in which the foreigner could still claim an interest, and the points at which the dues were to be paid clearly defined. Yet, notwithstanding all these precautions, it is unquestionably true that there has been a continuous, permanent, and in the main successful, attempt to evade the fulfilment of the Article. On this subject I desire to add nothing to the considerations contained in my despatch to your Excellency of 27th July, 1866, which I request may be also considered as Appendix No. 2 to this despatch.

Admitting the failure of Article XXVIII to secure the objects for which it was introduced, the question comes to be in what direction is the remedy to be sought? On this head several suggestions and questions occur, *e.g.*, is there any use at all in attempting to create an exceptional position for goods, the subject of the trade in which foreigners are interested in a country such as China? Will not the chicane of the Chinese officials and the necessities of their office always be sufficiently strong to render nugatory any arrangements of this nature? I think this will certainly be the case so long as the foreign interests in goods under transit are entrusted to native servants and agents. There is, it appears to me, one necessary condition of any system of foreign transit passes being operative, namely that the goods, whether export or import, shall appear at the places where the local transit duties are levied either under the personal charge of a foreigner or in a barge or lighter registered as the property of a foreign owner and possessed of the right of exemption from search or detention save at the points where the transit duties are levied. The questions also suggest themselves in view of the admitted facts that the native transit duties are much in excess of the 2½ now levied under Article XXVII, whether it would not be prudent to conciliate the adhesion of the Chinese Government to the transit system by the concession of an increase of transit duty, and to secure by Treaty provision its distribution to the Treasuries of the different provinces over which the goods are carried. It must always remain doubtful whether any arrangements involving so much interference in the internal affairs of a foreign country can ever be made workable in a country like China. Be that as it may, I still adhere to the opinion expressed in Appendix No. 1, that our best course lies in multiplying the points of contact with great markets in the interior and the right to convey to and fro, in vessels registered as foreign-owned, goods and produce concerned in foreign trade. This impression leads directly to the consideration of the points respecting inland navigation and residence raised by the Memorial. Though it is difficult to consider separately matters so intimately connected, I give the precedence to the former as the more eminently essential.

I have always felt that the claim to enlarge the facilities of inland navigation in boats the registered property of foreigners to the producing districts within reach of the several ports was one which might be pressed with considerable fairness. There can be no doubt that such facilities were easily granted by the provincial authorities of Kiang-soo when they were a necessary element in the supply of the Customs revenue which found the means of ridding the province of the Taeping rebels. I do not for a moment doubt that in those perturbed times there was disorder amongst the crews who navigated these craft. It had been strange if there were not, in such a season. But the danger connected with the use of small steam-vessels on the inland waters in days of comparative quiet, would be much diminished by a system of registration, with distinguishing marks at the Customs, and by the necessity of reporting at special points on the route, or by giving the right to place a native officer of Customs on board. If the Transit Duty clause is to be retained as of presumable value, it is, in my humble opinion, an indispensable element that the foreigner should be able either to forward his goods or produce in a steam lighter of his own, or that he should have a foreign agent to accompany them in a native lighter to be navigated under the same regulations as to registry, &c., as the foreign-owned barge, neither craft having the right of displaying any foreign national ensign. The right to proceed in such boats should be

further limited by the same considerations as determine the issue of passports. With a Foreign Customs Establishment to assist, there does not seem to me to be any insuperable difficulty in initiating such a system, as might be worked with due regard to the maintenance of a fair degree of order by the foreigners belonging to, or journeying in, such craft. The failure to explain satisfactorily any accusation might be expressly reserved as an adequate reason for restricting the privilege of the individual to proceed in such lighters, or even for withdrawing, temporarily or permanently, the benefits of registry from any boat accused of, or proved to be connected with, irregularities. I should propose to confine the issue of transit passes entirely to goods and produce conveyed in such licensed boats.

The Navigation of Inland Waters.—This subject leads me to the very important subject of enlarging the facilities for trade and navigation on the Yang-tsze. A recent visit to Hankow enables me to note that during the past year great advances have been made towards the restoration of trade and prosperity in the valley of the Yang-tzse. I saw, both in going and returning, numerous vessels, up to 150 tons burthen, plying on its waters, or anchored opposite the great towns, or in the village creeks. The subsidence of the inundation was everywhere—on the alluvial islands and haughs—being taken advantage of to sow wheat and root crops, the latter of which presented a most refreshing appearance to the eye. The master of the steamer pointed out to me quarters of large towns and villages which could be recognized as being in course of restoration, or having recently been restored. The signs of desert waste were evidently disappearing with rapidity. We took in passengers at Hankow for various points along the river where the steamers are not allowed to trade and endeavoured to land them,—in some instances successfully, but in others the travellers were carried some way beyond their points of destination.

I have never thought it desirable that the ports formally opened to foreign trade on the sea-board should be much multiplied either in China or Japan, and after attentively surveying the concessions at the three open ports or stations on the Yang-tsze, I think there can be no doubt that any encouragement to open additional ports on the same footing would be useless and futile, if not positively pernicious to commerce. A more sad waste of mercantile capital than what is exhibited by the British concessions at Chin-kiang, Kew-kiang, and Hankow it is impossible to imagine. Both in Hankow and Kew-kiang, convenient premises, altered for foreign occupation, and fire-proof godowns quite as well adapted for trading purposes as those in which foreign trade is conducted at Amoy and Foo-chow—ports which have never enjoyed the benefit or curse of separate concessions—were abandoned for the concession lots, and rented or sold to Chinese at the native rates. In the concessions themselves many houses are tenantless, and being rapidly dilapidated. Vacant lots, not on the river-line, are not worth more than the fees payable for their transfer at the Consulate, and the finest unbuilt-on lots on the front line cannot be sold for over 1,000 taels. The destruction of capital involved in this state of affairs has been enormous,—amounting to no less than 2,000,000 of taels. Such is the fever of land-jobbing that even the lessons derivable from the fate of these concessions would not insure the non-repetition of a similar folly if similar occasions were presented. What I venture to propose as suited to the nature of the trade, which the returning prosperity of the Yang-tsze valley, if it remains uninterrupted by the action of the northern rebels, is sure to create, is that at the various points along the river, which are centres of trade and population, there should be placed Customs stages for landing passengers and goods, and a capacious Customs warehouse for storing the latter. Captain West, the Master of the Shanghae Steam Navigation Company's steamer "Kiang-loong," a person of considerable intelligence, and who is the oldest steam-master on the river, at once confirmed this idea by saying, "What we want is landing-stages, like those on the Mississippi." He supplied me with a list (copy appended) of the various points at which such stages might at the present moment be usefully established.

It is not merely the increase in the conveyance of goods and passengers by the steamers that result from such a step, but much of the produce shipped would, in no long time, be done under advances from foreign funds, and our general interest in the trade of this great river be mightily augmented.

The establishment of such stages involves, to a certain extent, the residence, more or less permanent, of foreign agents at other places than the open ports, and conducts the argument of this despatch to the third division of my subject.

The Right of Travel and Residence in the Interior of the Country.—I consider it entirely unnecessary for me to enter on the question of the interpretation of the clauses of the Treaty of Tien-tsin, raised by the Memorialists. Whatever might have been their real meaning, the only advantages which can now be taken of them, at this port, are practically confined to shooting and other excursions. It must be admitted *in limine* that no commercial

communities can be conceived less fitted, in respect of knowledge of the language, than those of China, to employ usefully the right of residence, and travel at places other than ports. But they did avail themselves of them, in a rough, rude way, while this province was in the hands of the rebels; and at the cocoon and commencement of the silk seasons, the gentlemen interested in filatures, and silk inspectors, visited to good purpose the Nanzing districts. To those interested in cocoons, the right of residence in the district would be an immense boon. The difficulties that have been thrown in the way are referred to in one of the appendices to the Memorial; but there is an omission to state that, though I did not attempt to secure for Mr. Major the right of residence, which would have led to the erection of a filature, I did successfully negotiate with the Taoutae permission to erect the necessary furnaces and shed for killing the cocoons as collected on the spot—a privilege which greatly facilitated operations in the spring of the present year.

But though foreigners generally are, in the respect above noted, little prepared at present to undertake inland operations, or qualified to conduct them with success, undoubtedly a strong feeling has been awakened that the decay of their prosperity is to be met by exertions pushed in directions which involve the immediate personal intercourse of the foreign Agent with the producer, and the dispensing with the agency of the middlemen, which has brought the China trade to ruin. Certainly, on no other basis can there be any security that the trade will not entirely find its way into the hands of Chinese. It appears to me that the right of residence and travel in inland places under passport-restrictions might be safely conceded, the renting of houses and land being left precisely to the requirements which have influenced the peculiar character of the settlements at Amoy and Foo-chow. Such a privilege might in time transform the assistants of the mercantile houses into travellers, who would go from station to station with their musters, seeking orders from the resident Chinese merchants, or buying their produce in return. At all events, this appears to me to be one of the most valuable advantages involved in the right of residence. Another would be the settlement of skilled foreign directors or labourers at points where such special industries as filatures, mining, forges, &c., can alone be carried on.

Having considered the general argument of the Memorial under three separate heads, I pass on to some of the subsidiary points alluded to in it.

Tonnage Dues.—I entirely agree with the Memorialists that more precise stipulations for the application of the tonnage fund to the facilitation of navigation, to the much-wanted establishment of a harbour-police, and other useful objects, should form a special object in the revision of the Treaty. Something has certainly been done in this direction, but fitfully and in accordance with the tendencies of the individual Commissioners and Superintendents of Trade. A Board should be formed at each port, a list of objects specified in the order of importance, and power given to the majority of the members to deal with the fund under the reservation of a veto, enabling the Chinese Government to refer any proposal they may not deem suitable to Peking. The expenses to which tonnage dues should be made liable may be stated in the following order:—

1st. Harbour-masters, staff, and office expenses.
2nd. Lighting of the port.
3rd. Removal of obstructions to navigation.
4th. Establishment of water-police.
5th. Cleaning out of creeks and affluents debouching in the harbour.
6th. Erection of Customs bonded warehouses and landing-places.

I hardly think it necessary to enter at length into the observations connected with suits between foreigners and Chinese and the Mixed Court. It is matter of regret that the nomination of the T'ung-chih, who is to be charged with the powers involved in the rules for the enlargement of the Mixed Jurisdiction at Shanghae, should have been so long delayed at the capital. The new Court, or "Kung-kwan," is almost complete, and the entry of the new magistrate on his duties will remove at once several of the most important defects.

It should be observed that in cases were the Chinese are plaintiffs in civil suits to which Englishmen are defendants the terms of the Treaty which have been held to authorize the proceedings of the Mixed Court in the converse case of English plaintiff and Chinese defendant equally require the proceedings to be of a mixed nature. The Chief Judge of the Supreme Court ought, in terms of Article XVII, to convey through the Consul a "request for the assistance of the Chinese authorities, that they may together inquire into the merits of the case, and decide it equitably." The French Tribunal Consulaire does in fact adhere to this provision. A mandarin is always invited to sit with the Consul-General, and the grounds and character of the judgment, if not often influenced by his suggestions, are fully explained to him. I know that the Taoutae

feels keenly that it has not been our custom, either in the old Consular or present Supreme Court, to extend similar invitations, and he gave expression to this feeling—not loudly, but in a way to show the strength of his sentiment—in reference to the case in which the Silk Guild prosecuted a great English firm in the instance of the defalcations of their defaulting bank partner, who was also the broker in the disputed purchases.

I have pointed out to Sir E. Hornby and Mr. Goodwin the natural effect of the clause last referred to; and as an appointment has been made of a special interpreter to the Court, there would be, it is presumed, little difficulty in making arrangements to comply with the letter of the Treaty. My principal object in referring to this consideration is, however, to point out that there could be no better school for the Chinese officers to acquire some practical notion of foreign mercantile law than their attendance at such sittings, with the aid of a competent interpreter to explain the proceedings. It might be hoped that the results of such experience and observation might be turned to account in the Mixed Court sittings, or that in time the Chinese Government, like that of Turkey, might be induced to adopt the "Code Commercial" as the basis of their mercantile law.

I think the Memorialists somewhat overestimate not the real value of administration of justice according to European law, but the Chinese sense of it. A nation which has not advanced in the formation of its law-merchant beyond the stage of arbitration founded on custom can hardly be expected to consider a system so expensive as the administration of English professional justice as an unmixed boon. This is particularly so in reference to summary cases, in which the feeling—gaining ground that nothing can be done without professional assistance, always a very expensive item—indicates considerable dissatisfaction. I imagine, therefore, that nothing would be more fatal than any attempt to introduce into the Mixed Court the organized arrangements of a European Tribunal.

On the question of Customs confiscations, I confess I am entirely at issue with the Memorialists. I do not believe in the possibility of any uniform collection of duties by the agents of the Chinese Government, if this power is withdrawn. The observations and proposals of the Memorialists on this subject separate themselves into two heads; that, for the Treaty-right of confiscation, there should be substituted the single right of detention pending the infliction of appropriate fines which the subsequent reference to the views of the late Sir James Atherton shows the Memorialists presume to be exclusively within the foreign extra-territorial jurisdiction; and a consideration of Mr. Wade's arrangement with Prince Kung in 1865. I never yet heard of any country, in Europe or elsewhere, where the habits of the people secured obedience to the law, which ever consented to dispense with the right of confiscation in the collection of its revenues. Unless backed up by this right, no measures which can be taken by the Imperial Maritime Customs will be effective; with it the working of the present system is both easy and smooth. During more than two years which I have passed at my present post, I have not had more than three or four Customs references to deal with. None of these have been important, nor has there been any difficulty in their adjustment, or in recognizing the principle which ought to guide the decision. During all that time no complaint of unjust confiscation by the Customs has been laid before me, and the opportunity of personally ascertaining whether the so much condemned regulations of Mr. Wade constitute a practical grievance has been denied me. Judging from their tenor and object, which I have attentively considered, they appear to me to constitute a preliminary tempering of the absolute right of the Chinese Customs to pronounce confiscation subject to diplomatic action, to provide the parties concerned with a full opportunity to produce evidence in denial or extenuation, and to give the advantage of an appeal to the influence of public opinion on the spot. This was, in my opinion, a wise concession for the Chinese Government to make, and the principal alterations I feel disposed to suggest are in the rule which restricts the right of appeal to cases in which the Consul differs from the Chinese Superintendent of Customs (I think they are as likely to be both wrong, as one wrong and the other right, and that the reference to Peking should be allowed in all cases where proper security is lodged), and that some provision should be made for damages in event of the original detention have been established to be vexatious and uncolourable.

The reference to Article II of the Treaty of Nanking which speaks of the Consul seeing that "the just duties, &c., are discharged," is entirely beside the question. The clause referred to, I am able to speak from personal experience, was deemed by every Consular servant who held office at that time as little better than a snare, and apparently imposing a duty which the Consul had no means of discharging, and placed him in the invidious position of either becoming an informer against his own countrymen, and taking an active part in Customs business, or refraining from any attempt to carry out his duty whatever that might be. As an individual officer, whose long experience may be presumed

to entitle his views to some consideration, I should protest against being again reduced to the same unpleasant dilemma.

There is one point on which I think foreign vessels are aggrieved by the action of the Customs, and which it is desirable, in my opinion, to change, namely, the withholding the grand-chop of the vessel to enforce payment of duties on the goods. The interest of the ship owner and goods owner are entirely separate, and to make the ship responsible for the default of consignee or shipper where the right of confiscation exists punishes the wrong party. At present goods are allowed to be shipped or landed before duties are actually paid—on the knowledge that payment can be ultimately compelled by stopping the clearance—a proceeding which might and does operate to delay the vessel at its own expense, whereas by prompt action the ship might be redischarged of the non-duty paid cargo at once, or imports in the like position be stored in a Customs godown. This subject will be found specially discussed in my despatch of 1st May, 1867, written with a view to the revision of the Treaty, and which I beg may be considered as one of the appendices of the present communication.

The heading of Tariff is the next division of the Memorial which claims attention. On the matters referred to, the views of the subscribers are entitled to great attention. I have nothing to add to or vary in their suggestions down to the article "salt."

This is an article with reference to which any arrangement made should duly regard the actual fiscal state of things in the Provinces. Taking the rate of 3 rupees per maund of 80 pounds, which I believe to be levied on imported salt in India, I should suggest an import duty of 1 dollar per picul of 133½ pounds, payable to the Salt Department of the Province where the foreign article is landed.

I am heartily at one with the Memorialists in their wish for the removal of the prohibition on the re-export of foreign rice.

The subject of drawbacks is considered in my despatch to your address of 31st March, 1867, and its inclosure, addressed to Messrs. Archibald Campbell and Co., of this port, which I propose to consider as Appendix No. 5. It is there suggested that a limit of three years should be allowed—a suggestion from which I see no reason to depart. I also agree with the Memorialists in thinking it a hardship that they should be compelled to forego the return of their sycee and take the equivalent in the shape of a *bon* exempting from the payment of new duties.

Articles imported for foreign use only, stores, &c.

The Rule 2 is of the most liberal character, and so far as I know has always been carried out in a liberal spirit. The statement that latterly duties have been levied on articles which, though not specially mentioned, are within the spirit of the rule, appears to me to be a questionable assumption if it refers to the application of the words "household and ship stores," as including these articles when imported for sale by storekeepers, &c., and not for the use of individual households and vessels.

I have now accomplished the duty before me of commenting on the important Memorial addressed to you; and if the frankness with which I have expressed my views should in parts appear excessive, something I trust will be allowed for the shortness of time at my disposal to consider the subject, and for my knowledge of the currency of opinions even more pronounced than those expressly advanced by the Memorialists, *e.g.*, in the Memorial of the Hong Kong Chamber of Commerce to the Secretary of State for the Colonies in which is to be found the following:—

"The Chamber desires to see reform in respect of this matter and restoration of the prestige of Her Majesty's Consuls, the apparent remedy being modification of the present system, increasing their powers by the occasional display, if not employment, of more than moral force, when dealing with the Chinese authorities connected with their individual jurisdiction."

I need scarcely say that as an individual officer I should strongly deprecate the power of such a display being made a formal attribute of my office. It cannot be denied that there is a possibility in these countries of the extreme East, of the occurrence of crises when injury to the lives and properties of communities is immediately threatened or actually perpetrated, which may require a Consular officer to appeal to whatever species of protection or redress may be within his reach. It is sufficient that he should be ready, when such emergencies arise, to do his duty as his reflection and conscience shall suggest, under the sense that he undertakes the gravest and most special responsibility which he can assume, and stern necessity alone can justify.

It would lead me far beyond the province of my Consular functions at this port to enter on the subjects of railways and telegraphs, adverted to in the Hong Kong Memorial.

The introduction of these improvements would be a source of such infinite security to the Chinese Government that no Foreign Agent conscious of the difficulty which its weaknesses interpose to the growth of commerce could possibly be wanting in the desire to promote them.

The Secretary of the Chamber of Commerce here has written me a separate request to forward the Memorial directly to Lord Stanley. As I presume you would wish me to comply, I purpose at the same time to forward a copy of this despatch, and the documents referred to in it as Appendices.

Your, &c.
(Signed) CHARLES A. WINCHESTER.

Inclosure 4 in No. 21.

Extracts from a Memorandum by Vice-Consul Winchester, dated November 24, 1857, transmitted by Lord Elgin to the Foreign Office. (No. 111, February 27, 1858, page 205 et infra, Correspondence, Lord Elgin's Special Mission, 1857-59.)

PARAGRAPH 8 opens the most difficult topic touched on in this communication: whether we consider the indubitable right of the Chinese Government to exercise exclusive control over the internal traffic of their country, or their right to levy, for the necessity of the state, such duties as may seem to them good on the produce or manufactures of their own dominions, or the difficulty which there will always be of obtaining information relative to such exactions in remote districts. It is one of great delicacy, and one cannot see how such an intricate and extensive system of inland duties, extending from the Great Wall to the extremities of Hainan, can be thoroughly and effectually controlled to suit all the requirements of foreign commerce, without the assumption of a supervisory power over the whole internal administration of the country. The case of Chinese produce is on a very different footing from goods imported from foreign countries, and paying the regular tariff duties. There probably does exist an indefeasible prescription against the imposition of inland duties on legally-entered imports; and yet, why should not such goods pay their fair contribution to the maintenance of the internal communications of the country—the canals, bridges, roads, &c., which permeate China? Still, as has been remarked, in most countries, and it might be so expressed in any future Treaty with China, the original duty paid at entry in the port of import might be held to cover such charges; and we might trust to the vigilance of British officials, if such should hereafter be posted in the central marts of China, to obviate any serious interruptions to the transit of British fabrics. It is widely different with the produce of China. The transit duties levied on them take the place of excise and other provisions, for the collection of inland revenue adopted in all countries; and to expect that the Government of China should debar itself from the levy of increased duties on articles which enter largely into domestic consumption—for tea, silks, sugars, rhubarb, &c., are at least employed as extensively in China as in foreign countries—will, it is believed, be vain. The most that we can hope for is to prevent, by negotiation carried on from a much more advantageous position than foreign officers now occupy, the singling out of particular articles of produce converging to the seaboard port of export, and which are largely purchased by foreigners, for additional and extortionate rates of transit duty. It should be remembered, too, in reference to this matter, that as the navigation of the coast and great rivers of China is opened up by steam-power, we shall, day by day, be removing large quantities of the produce we require from the influence and operation of the transit duties, and that such are the means always open to the natives for the evasion of the excessive duties, that any undue exactions can generally, through patience and compositions, be defeated. In this place it may be proper to state the impression which the experience of fifteen years has created in the mind of the writer, that the internal and coast duties levied on native produce are light* when compared with those of a similar nature which exist in European countries or in British India; nor, looking to the national character and genius of the Chinese, and the passion for commerce which pervades all classes except the servants of Government is there any probability of a general change. This is in itself no slight security against adverse augmentations of the transit duties; and looking to all the difficulties of the case (among which the separation of the revenue and administrative systems of the several provinces is of the greatest) all that it seems practical to secure is the right to reclaim to the central power against the exclusive selection, by the decree of any needy provincial Governor, of the great articles of foreign export for increased or disproportionate taxation, when articles confined to native use are unsubjected

* N.B.—They have certainly been much increased since this was written.—C. A. W.

to the same. It is indeed, for this end, impossible to rate too highly the value of accurate information with respect to the normal transit rates of the different provinces, a subject on which our knowledge is very restricted. The more we consider this extensive subject and its difficulties, the more we are inclined to believe that we shall have to look to the multiplication of the points of contact from which the proceedings of the native authorities can be observed; and the powerful influence which is certain to accompany our improved position can be exerted, as the safest remedy against the exactions and impositions which the Chinese Authorities are so much inclined to levy on all commerce within their reach. . . The general doctrines contained in the 10th paragraph are so self-evident as to command unhesitating assent. The question is to what extent it is possible to make them equally clear to the Chinese; and yet even here there are distinctions omitted by the mercantile body which it may be desirable to notice. Practically, ports of import for foreign trade restrict themselves. We find, indeed, in the United Kingdom that, while probably twenty ports are licensed to import produce of the countries lying beyond the Cape of Good Hope, the trade is mainly confined to London and Liverpool, while only a single ship from these countries occasionally discharges at Dublin, Bristol, Glasgow, Leith, &c. The ships employed in direct import trade between countries as distant as England and China, must necessarily be of considerable tonnage, and expensively equipped. The cargoes they carry are valuable, and it is only in a few large ports that the capital exists for working them off. It is such ships as are navigated by the only class of foreigners who are likely to create trouble and disturbance to the natives; and as we have assumed the responsibility of controlling our own people, we are of course bound to protect the native community from injurious treatment on their part. While, therefore, it would be desirable to have all the Customs establishments in China declared open for the levying of duties on native produce, we might, without detriment or injury to commerce, consent that the levying of duties on articles of foreign growth should be restricted to ports where Consuls possessed of the necessary jurisdiction should be appointed to reside; it being provided that such duty-paid articles shall not be subject to any further impost at the ultimate place of discharge, to which it will have been probably carried in a small foreign coasting-vessel.

Inclosure 5 in No. 21.

Consul Winchester to Sir R. Alcock.

Sir, *Shanghae, July* 27, 1866.

THE inclosed communications from the Vice-Chairman of the Chamber of Commerce, reached me on the same date.

There would be a manifest impropriety on my part were I to presume to offer an opinion on points which have become the subjects of immediate discussion with yourself; there is, however, one allusion in the letter to which I must refer, viz., that in which I am supposed to have referred to you the persistent violation of Treaty obligations in regard to transit passes, exhibited to the Chinese officers in charge of inland ports for the collection of duties, on which some remark is desirable. I have had, during the last two months, several glaring cases of such illegal levies, the redress of which I have been constantly pressing on the Taoutae. I propose to forward copies of the correspondence at an early date.

I have had many interviews with his Excellency, and in execution of a proposal, which he eagerly accepted, Mr. Stronach and the Weiyuen Chun were dispatched to Hoo-chow, one of the posts where these exactions were alleged to have been made without warrant. Their examination of the station books fully confirmed the complaints, and one of the amounts was recovered from the Hoo-chow authorities. Though I have repeatedly informed the Taoutae that I look to him as the officer responsible to Her Majesty's Government in a public capacity for all violations of Treaty involving over-exactions of duty, and bound to make the necessary refunds, he as persistently attempts to evade my endeavours to fix him with this liability, and maintains that he can only be called on to make good such sums, if able to recover them, from the offending ports. Six or seven cases are now under discussion; in regard to these, absurd statements are put forward that the passes were not exhibited, objections taken that there are no endorsements to prove the payments were made, as if the Chinese officials were likely to convict themselves by doing the very act which would lead to the discovery of their illegitimate proceedings.

It was impossible, of course, to dispatch an officer to inquire into the facts of every individual case; but, before appealing to yourself, I thought it better to exhaust the local

means of redress by addressing a communication to the Fuhtai Li, whose reply has not yet been received.

One of the grounds maintained by the Chinese is that these transit passes are taken out by foreign merchants and sold to Chinese, with whom they divide the difference between foreign transit and native inland duties. This, however, was certainly not the fact in any of the cases which I brought forward on behalf of some of our principal merchants. It is known that heavy advances are constantly made by the foreign merchants of Shanghae to native agents to purchase produce in the interior. I believe, however, that this practice was at one time common in Ningpo, and it is understood that one or two fifth-rate houses here have acted in the same manner. If the question of interest is allowed to be raised in every case, this privilege, the most valuable of all the tariff arrangements, secured by Lord Elgin, becomes abortive. If the document is genuine, and not fraudulently used to cover a second lot of cargo, it must, if the exemption is to be enjoyed by the fair dealer, be respected without reference to the actual interest in the goods.

Doubtless, it is a matter not likely to approve itself to the Chinese mind that in the transit of produce the foreigner, or the native, who through the foreigner obtains a transit pass, should be allowed to pass his goods at half the sum paid by regular native dealers. The question, in reality, lies between evading the Treaty, or giving the Chinese the benefit of a favoured nation's clause in their own country:—ours is, of course, the right by Treaty, from which we are not justified in receding.

There is no doubt that the permission to employ barges of foreign build in the inland waters would simplify matters so far as the violation of the transit pass system is concerned. No station agent could affect to doubt the foreign interest in goods conveyed under a foreign transit pass, in a foreign built boat.

That the valuable acquisition is for the above reason fast becoming inoperative at this port, as it has already become at most of the others, there is too much reason to believe, unquestionably the employment of foreign built vessels would tend to preserve its enjoyment: but the precise weight of this consideration itself, as respects the general question of inland navigation, is beyond my province to determine.

Your, &c.

(Signed) CHARLES A. WINCHESTER.

Inclosure 6 in No. 21.

TABLE of Distances as calculated from Hankow between Ports at which Customs Stages and Warehouses might now be established.

		Whangchau to	Wusuch to		
Hankow to Whangchau ..	56				
„ Wusuch	121	65			
„ Kiukiang	151	95	30	Kiukiang.	

		Tunglin to	Ngandin to	Tatung to	Wuhu to	Nanking to	
Kiukiang to Tunglin ..	68						
„ Ngandin ..	88	20					
„ Tatung ..	133	65	45				
„ Wuhu ..	197	129	109	64			
„ Nanking ..	252	184	164	119	55		
„ Chinkiang .	297	229	209	164	100	45	Chinkiang.

		Kyang-yin to	North-tree to	
Chinkiang to Kyang-yin . ..	61			
„ North-tree . ..	88	27		
„ Woosung	143	82	55	Woosung.

Inclosure 7 in No. 21.

Consul Winchester to Sir R. Alcock.

Sir, *Shanghae, May* 1, 1867.

RECENT Admiralty proceedings in the Supreme Court have called my attention to those clauses of the Treaty and Regulation of Trade which refer to the deposit of ships' papers in the hands of the Consul, and their retention by him pending the production of the Customs grand-chop. This arrangement in effect renders the vessel responsible not only for the payment of tonnage dues, which may be considered fairly enough within the scope of her liability, but for export and import duties on the cargo which are payable by the merchant.

It is quite true that, according to Treaty, tonnage dues are (vide Article XXX), "held due forty-eight hours after arrival of the vessel," and that import and export duties, Article XXV, are considered payable at the times of the landing and shipment of the goods respectively. But, practically, at this port, they are not so paid. The consequence is, that it is the business of the consignee to obtain all the duty paid certificates of the cargo from the individual consignees, and take them with the tonnage dues paid certificate to the Customs as vouchers to justify the application for the grand-chop. If there is any irregularity, or a certificate is wanting, the clearance is delayed, and the consignee of the ship has to see that all is right. It occurs occasionally in fact, that rather than submit to the delay of the ship, he himself arranges with the Customs, and takes his chance of recovering the outlay.

The question came up before the Court in this wise. The "Seaton" was entered, having borrowed at Swatow money on bottomry of the ship and cargo. An action was commenced here, which terminated in the ship being held liable, and the goods not so. The "Seaton" was sold under the judgment of the Court, to a foreigner, and tonnage dues are demanded by the Customs, who decline to clear the vessel under her new flag, till the claim for tonnage dues is satisfied.

Fortunately, in this case the proceeds of the vessel were not distributed, and I am assured by Sir. E. Hornby that the claim I have entered at Mr. Fitzroy's instance will be satisfied.

The Chief Judge is of opinion that these arrangements, particularly that of making the ship liable for export and import duties, may operate a great injustice on the person who has advanced his money on bottomry, and that the value of his security may be eaten away through the failure of third parties to satisfy lawful demands. I am entirely at one with him so far as the duties on the cargo are concerned. The Customs control over the goods themselves ought to be a sufficient security for the payment of the duties. The Treaty authorizes them, without stint, to adopt all necessary measures for preventing smuggling. Provided there is no fraud in the manifest, the ship master has no necessary connection with the landing or shipment of goods, or payment of duties; when he has conformed to the regulations and given every facility to the officers, he has done all that can be properly expected of him, and ought not as now to be held liable to make good payments in which he is in no way interested.

I am unable, however, to agree with Sir E. Hornby, in thinking the same rule applicable to the payment of tonnage dues. The ship is in this instance the only tangible security for their payment.

Tonnage dues are payable in a certain definite proportion to the registered tonnage of the ship; the Customs might, on advertisement of sale, be at once required to make a claim, and the vessel be sold encumbered with the obligation to payment. It might well happen that the master of a bottomied vessel could find no one willing to advance the tonnage dues.

I am disposed, therefore, to think that the payment of tonnage dues in bottomry cases must be arranged for in the sale of the ship, and that, where cargo is sold under judgment, the rule should also extend to the settlement of the duties on the goods so sold; for if the cargo of the "Seaton" had been landed and sold under the order of the Court, it would have been impossible to recover the duties from the holders of bills of lading; and if the rights of the Chinese Customs were to be respected, the goods must have been sold under the obligation to pay duty before delivery, or the Court have authorized the duties to be deducted from the proceeds of the sale.

Sir E. Hornby has been good enough to show me a despatch which he has written to Lord Stanley on this subject. My present communication refers, therefore, more to legal consequences than it would have done under ordinary circumstances. I should have considered it sufficient to justify a suggestion for dealing with the subject at the approaching

revision of the Treaty, to observe that the Customs having security deemed ample in all other countries, and so found in the case of river steamers, for the collection of duties in their control over the goods, it is inequitable to saddle the ship with a liability for their payment which in no manner belongs to it. For it must be borne in mind that this liability arises, not from the direct provisions of the Treaty, but consequentially from its being a duty of the Consul to retain the papers till the grand-chop is issued.

I have, &c.
(Signed) CHARLES A. WINCHESTER.

Inclosure 8 in No. 21.

Consul Winchester to Sir R. Alcock.

Sir, *Shanghae, March* 31, 1867.

THE inclosed letter was written in reply to a request for my interference to obtain a drawback on goods re-exported to Japan which had originally been landed in Shanghae in the year 1864.

The limitation of one year to which Mr. Consul Medhurst publically assented in his notification of 29th January, 1863, and on which he reported at length in his despatch to Sir F. W. Bruce of 3rd February thereafter, has never, so far as my search of the records enables me to speak, been formally accepted by Her Majesty's Minister. So important a point as the establishment of a term of prescription beyond which a Treaty privilege was not to run was clearly *extra vires* of both Taoutae and Consul; yet it seems to have been clearly passed over at the time these Shanghae Maritime Customs regulations were published and subsequently acceded to without authority.

I am of opinion that the term of one year is decidedly too short, and that it should be extended to three years. I was informed by Mr. Fitzroy that Shanghae is the only port where any restriction as to time is recognized in regard to the issue.

The application to Shanghae in a matter so important of a different rule to that prevailing elsewhere is an evil which it is desirable to abate by the substitution of a general regulation common to all the ports.

Under the idea that a collection of suggestions as they occur may be usefully made with a view to the revision of the Treaty, I have ventured to bring this subject to your attention.

I have, &c.
(Signed) CHARLES A. WINCHESTER.

Inclosure 9 in No. 21.

Consul Winchester to Messrs. Archibald Campbell and Co.

Sir, *Shanghae, March* 28, 1867.

IN reply to your letter of yesterday I have to state that I find considerable difficulty exists in reference to the limitation of time placed on the issue of drawbacks.

Unquestionably there is no limitation specified in the XLVth Article of the Treaty of Tien-tsin as unquestionably there must be an equitable term of prescription for the issue of such certificates as for debts, tenures, &c.

On referring to the printed regulations of the Chinese Maritime Customs, page 41, Shanghae Customs Regulations, dated 25th July, 1859, Drawbacks, I find a limitation of time to twelve months, but do not gather that these have ever been sanctioned by any of my predecessors or by Her Majesty's Minister or Government. Indeed, there are several points in these regulations either not authorized by or opposed to the terms of the Treaty which must under any circumstances have operated to prevent their formal acceptance.

Again, on referring to the Consular archives, it appears that in a correspondence which was notified to the public took place between the Taoutae and Mr. Consul Medhurst in January 1863, it is stated in a public notification dated 29th January, 1863, that the Consul has consented to the proposed innovation (viz., limitation of the issue of drawbacks to twelve months) pending the approval of Her Britannic Majesty's Envoy Extraordinary and Chief Superintendent of Trade, and that the arrangement is understood to take effect from the date of this notification. I have been unable to find that the official sanction for which Mr. Medhurst wrote was actually given.

Mr. Fitzroy, whom I have seen on the subject, informs me that this rule has been rigidly adhered to at the Maritime Customs, and is regarded as absolute by the Chinese authorities.

I think, therefore, I should only deceive myself and you if I held out hopes of being able to obtain issue of these drawbacks by local official action. The consent of a prescription that has lasted for nearly eighty years is too strong to be altered.

But I can, should you desire it, lay your case formerly before the Taoutae, and refer the question generally and in its bearings to yourself before Her Majesty's Minister in Peking.

I am, &c.
(Signed) CHARLES A. WINCHESTER.

No. 22.

The Secretary to the Belfast Chamber of Commerce to Mr. Hammond.—(Received December 30.)

Sir, *Belfast Chamber of Commerce, December* 28, 1867.

I AM instructed by the Council of this Chamber to suggest that linen goods and goods composed of linen and cotton, and other textile fabrics, should be included in the Treaty of Commerce with China.

I am, &c.
Signed) SAMUEL VANET.

No. 23.

Mr. Hammond to the Secretary to the Belfast Chamber of Commerce.

Sir, *Foreign Office, December* 31, 1867.

I AM directed by Lord Stanley to acknowledge the receipt of your letter of the 28th instant; and to request that you will inform the Council of the Belfast Chamber of Commerce that their suggestion with regard to the revision of the China Treaties will be duly considered.

I am, &c.
(Signed) E. HAMMOND.

No. 24.

Mr. Hammond to the Secretary to the Board of Trade.

Sir, *Foreign Office, December* 31, 1867.

I AM directed by Lord Stanley to transmit to you, for the consideration of the Lords of the Committee of the Privy Council for Trade, a copy of a letter from the Belfast Chamber of Commerce,* suggesting that textile fabrics should be included in the Treaty of Commerce with China.

I am, &c.
(Signed) E. HAMMOND.

No. 25.

Sir F. Rogers to Mr. Hammond.—(Received January 8.)

(Extract.) *Downing Street, January* 8, 1868.

I AM directed by the Duke of Buckingham and Chandos to transmit to you, to be laid before Lord Stanley for his consideration, a copy of a despatch from the Governor of Hong Kong, forwarding a Memorial from the Chamber of Commerce in that Colony setting forth in what respects they are of opinion that the Treaty of Tien-tsin is open to amendment when under revision.

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* No. 22.

Inclosure 1 in No. 25.

Governor Sir R. MacDonnell to the Duke of Buckingham.

My Lord Duke, *Government House, Hong Kong, October* 31, 1867.

I HAVE the honour to inclose a letter received from the Honourable P. Ryrie, Chairman of the Hong Kong Chamber of Commerce, covering a Memorial signed by him on behalf of the Chamber, and addressed to your Grace with a view to the representations of the Chamber receiving the consideration of Her Majesty's Government.

2. The Memorial has arisen from the Chamber's expectation that under the XXVIIth Article of the Treaty of Tien-tsin, there would be next year a demand for revision of the tariff imposed thereby, and of the Commercial Articles of that Treaty.

3. A Circular notice has been forwarded by Sir Rutherford Alcock, Her Majesty's Minister at Peking, inviting the British communities at the open ports in China to express their opinions and make suggestions in the event of such revision taking place.

4. No invitation, however, of a similar nature was addressed by Sir Rutherford to myself or to the Chamber of Commerce here, not, I presume, from any intention on his part to ignore the community which has most interest in, and most power to control, proceedings connected with Chinese trade, but, as I presume, because he may have felt uncertain how far such an invitation might have been regarded as an assumption of jurisdiction over a Colony which is of course entirely independent of the diplomatic body.

5. I can only say, however, that, for my part, I should have been well pleased to have responded heartily to any such invitation, if I had received it, and I would have preferred taking action in the matter on the invitation of Sir Rutherford Alcock, as I could then have forwarded any suggestions of the Chamber of Commerce to Sir Rutherford Alcock, so as to ensure his receiving it in time to forward and comment on it when transmitting similar documents received from other parts of the coast.

6. When, however, the month of July had arrived, I judged it advisable to call the attention of the Chamber of Commerce to the subject, and pointed out the expediency of this community expressing an opinion on the changes which it considered desirable under the XXVIIth Article of the Treaty, and I offered to forward any communication on the subject which I might receive.

7. I found that the Chamber had already become anxious on the subject. They a once accepted my offer, and the inclosed Memorial is the result of their deliberations, deferred from time to time, and frequently discussed in Committee, as well as latterly in the Chamber. The Memorial, as it now stands, and especially as extensive publicity was given, pending discussion, to its suggestions by the comments of the local press, may now be regarded as expressing fairly the sentiments of the large majority of the mercantile body here.

8. Like all documents which are compiled by many hands, its composition may seem susceptible of improvement; but I think your Grace will find the views of the Memorialists to be stated with sufficient clearness, and the general tone of the document to be temperate and convincing.

9. It so happens, however, that within the last few days certain events have occurred bearing on some of the points adverted to by the Memorialists, and which seriously affect the interests of this Colony. I am unable, at present, to report the facts with accuracy, not having the necessary information, though I daily expect it. Under these circumstances I was at first disposed to keep back the Memorial till next mail; but I have thought it advisable, on reflection, as the year is so far advanced, rather to withhold the observations with which I should have wished to accompany it, and to transmit the Memorial itself by this opportunity, reserving my own Report till next mail.

I have, &c.

(Signed) RICHARD GRAVES MAC DONNELL.

Inclosure 2 in No. 25.

Mr. Ryrie to the Acting Colonial Secretary.

Hong Kong General Chamber of Commerce,

Sir, *Victoria, October* 14, 1867.

REFERRING to my letter of 12th July, I have now the honour to transmit to you the Memorial of this Chamber, addressed to his Grace the Duke of Buckingham and Chandos, Her Majesty's Secretary of State for the Colonies, on the subject of the Revision

of the Treaty of Tien-tsin, which I shall feel obliged by your handing to his Excellency the Governor.

The Chamber trusts that his Excellency will take an early opportunity of forwarding it to the proper quarter, accompanied by such remarks as he may be pleased to make, feeling well assured that the Memorial will receive substantial support from such assistance.

Thanking his Excellency for the interest he takes in the Chamber's proceedings, I have, &c.

(Signed) PHINEAS RYRIE, *Chairman.*

Inclosure 3 in No. 25.

Memorial from the Hong Kong General Chamber of Commerce.

To his Grace the Duke of Ruckingham and Chandos, Her Majesty's Secretary of State for the Colonies.

The Memorial of the Hong Kong General Chamber of Commerce.

Humbly showeth,

1. THAT at a special meeting of the Chamber, convened on the 19th of October, it was resolved to address your Grace on the subject of the revision of the Treaty of Tien-tsin.

2. The Chamber not having received intimation from Her Majesty's Minister Plenipotentiary at Peking that suggestions would receive consideration, it has availed itself of the offer of the Governor of this Colony, Sir Richard Graves Mac Donnell, to transmit the result of its deliberations to the proper quarter.

Existing Treaty to be enforced.

3. In introducing the subject of Treaty revision, the Chamber begs to submit that it is of paramount importance that Her Majesty's Government should, in the first place, take cognizance of the fact that in many material respects the existing Treaty is unfulfilled on the part of the Chinese Government. Your Memorialists, therefore, urge the advisability of requiring compliance with both the spirit and letter of evaded and unfulfilled provisions, as the breach of privileges accorded is a grievance long felt, increasing in intensity the longer it is suffered to remain unquestioned.

4. The Chamber unhesitatingly asserts the opinion that special exception should be taken to the passive resistance with which the desire to take advantage of the more advanced privileges of British subjects is met by the Chinese authorities in different parts of the Empire, barring the way to commercial progress, and impressing the unimformed among the Chinese people with the idea that many Treaty rights are not allowed by the supreme authorities.

Obstructiveness of Chinese officials.

5. It may be presumed that, unless weighty remonstrances upon the dilatoriness of the Chinese Government, in not appointing special Commissioners to inquire into the subject of appeals to Peking, be made a prelude to negotiations for further concesssions, non-fulfilment of engagements will be the rule, not the exception; and that there will be constant repetition of obstructiveness on the part of subordinate officials, stationed at Treaty ports, which resolves itself into a systematic evasion of the consideration of important matters brought to their notice by Her Majesty's Consuls. This evasion is effected by reference to Peking on a plea of inability to cope with, perhaps, no difficulty, but a simple question of privilege, which the applicant would exercise in a district or province remote from the capital, or the surrendering of persons accused by British subjects of criminal acts. Appeal gains time, and gives the Chinese Foreign Office (Tsung-li Yamên) the opportunity of expressing willingness to further British interests, but, at the same time, of disposing of the appeal by a declaration of a nature similar to that by which the question was set aside when first raised.

6. The Chamber desires to see reform in respect of this matter, and restoration of the prestige of Her Majesty's Consuls, the apparent remedy being modification of the present system, increasing the powers by the occasional display, if not employment, of more than moral force when dealing with the Chinese authorities connected with their individual jurisdiction.

7. Taking the sections of the Treaty of Tien-tsin in numerical order, your Memorialists beg to lay before your Grace their opinions regarding their revision and amendment.

Privileges to Protestant Missionaries.

8. Article VII. Special immunities having been granted to Roman Catholics, Protestant missionaries put forward claim to like privileges, viz.: right to live in the

interior, to hold property for mission purposes, and to pursue their ordinary avocations in the interior of the country without limit of distance and without hindrance.

Freedom of travel in the interior.

9. Article IX. Travel into the interior under passport has, in numerous intances, been prevented by the evident ignorance of the Chinese people of the terms under which the privilege was granted, and opposition has been offered in consequence: though the Convention of Peking expressly requires that promulgation of the terms of the Treaty be made for general information. It is therefore very desirable that, on the revision of the Treaty, special attention be given to making all its terms known throughout the Empire.

Permission for steam-vessels to ply on Poyang Lake, and extension of steam traffic on Canton River.

10. Article X requires the additional privilege to ply steamers upon the Poyang Lake. The desirability of this extension is expressed in the Report of Her Majesty's Consul at Kew-kiang (Commercial Reports, 1862-64), and again has been brought before the notice of Her Majesty's Minister by residents at that port, on the occasion of his recent visit. At the time the Article was framed, the presence on the Yang-tsze River of lawless persons of various nationalities, and the occupation of districts bordering on the lake by rebels, justified in some degree the desire of the Chinese authorities to limit the navigation of these inner waters. Restoration of legitimate authority and the revival of traffic, with the prospect of commercial transactions increasing in importance, now offer to enterprising persons inducements to extend tradal operations with the interior, which for a length of time have not existed. The facility of carriage afforded by the employment of steam-tugs would, therefore, greatly benefit local trade.

11. Under regulations, authority to take steam-boats further up the Canton River than the provincial city should be granted, bringing distant markets nearer, and doing away with the constant delays occurring to boats detained by prevailing contrary winds. It is also suggested that river-steamers carrying cargo and passengers shall, under permit, have resort to towns situated within the limit of the jurisdiction of the Maritime Customs.

Treaty ports that still remain closed.

12. Article XI. The cities of Chau-chow (Swatow) and Kiung-chow (Hainan), included among the open ports, have remained virtually closed: the result, in a measure, of the unwillingness of the local authorities to grant facilities to British subjects desirous of proceeding to these places to carry on trade. With regard to Chau-chow, the right of residence has been refused, and at the present time this vexed question is the subject-matter of correspondence between the aggrieved parties and Peking. Treaty privileges have been entirely withheld, and it is evident that official authority is not exercised on behalf of applicants; indeed, it would seem that the threatening attitude assumed by the populace is connived at by the local Chinese authorities: a matter easily corrected if the Yamên of Foreign Affairs at Peking made a repetition of the offence ground for removing the Prefect of the city from office.

Opening of the port of Kiung-chow.

13. At Kiung-chow a growing trade with this Colony has been blighted by an almost prohibitory regulation of the Maritime Customs, limiting vessels bound to Hainan to clearance at Canton under pain of confiscation. The Chamber does not presume to question the reason of the action of Her Majesty's Government in not taking advantage of the Treaty right of resort to the port, they would, however, suggest that from among the merchants desirous of residing at the port, a British Consular Agent be chosen who would, under the supervision of the Consul at Canton, be able to perform all necessary acts connected with the opening of the port. The protection of a gun-boat would, for a time, be requisite. The west coast or seaboard of the Canton Province, extending from Macao to Hainan, affords promise of being connected with the Colony of Hong Kong by a traffic which, if fostered, may in course of time attain to considerable proportions. The first step towards securing this would be the opening of a port and the encouragement of trade under British auspices.

Right of residence at other places than Treaty ports.

14. Article XII. Although Her Majesty's Government have not admitted that the insertion of the words "at other places" gives right of residence at places distant from the Treaty ports, it is hoped that the present text will remain intact, though partially in abeyance, so as to be availed of, if needs be, during the period intervening between the present time and the year 1878, before which date difficulties attending residence at places remote from the open ports will probably be lessened.

15. Articles XIX and LIII are inoperative, or nearly so, as on the part of the Chinese Government there has been little or no provision made to carry out their obligations, and the duty of capturing robbers and pirates has been left to be performed by Her Majesty's navy.

Rendition of absconding debtor

16. Article XXIII has often been the subject of comment, as escape of Chinese criminals from Hong Kong has been of frequent occurrence. In the instance of the absconding person being a debtor, application for his arrest has to be made by the merchants to the Consuls at Canton, who can only represent the case, and demand, but not always obtain, the appearance of the delinquent. In the event of his surrendering, the

prosecuting creditor resident in this Colony has to send from this place to Canton counsel and evidence to prove the debt. Nothing could be more inconvenient.

17. The mutual surrender of criminals is, primarily, a matter for the Executive of this Colony. The rendition of absconding debtors escaping from Hong Kong to the mainland is, however, unquestionably a clause which should be added to the Article for the protection of the interests of the mercantile community, an authoritative demand, proceeding from the Government of this Colony, might receive more immediate attention than the request of the British Consul that a charge preferred be investigated.

Reduction of Tariff on Imports.

18. Article XXVII specially provides for a revision of the Tariff. It has been said that in review of the past and in consideration of the present, England cannot justly require material alterations in the existing Tariff, and the Chinese Government will doubtless demur, in the first instance, to any reductions; but the object of Her Majesty's Government should be to convince them that by lowering their Tariff rates they will be gainers in actual revenue, the immense expansion of trade since the introduction of the present Tariff (which is more liberal than the previous one) leads to the conclusion that fresh reductions would lead to further expansion, and to an extent that would actually give more revenue than was collected under the higher scale of duties. A comparative statement of the value of imports from Great Britain at the commencement and termination of ten years is concisely given in the following Table:—

IMPORTS FROM GREAT BRITAIN.

	Hong Kong and Whampoa.		Shangha .	
	1856.	1866.	1856.	1866.
	£	£	£	£
Cotton piece goods	501,776	1,072,161	742,672	3,216,906
Cotton twist	150,913	442,640	2,190	6,796
Woollen and worsted goods ..	65,818	229,772	142,214	1,027,951
Long ells	20,925	16,030	30,155	95,751
Metals	111,398	150,011	46,164	107,149
Other descriptions of goods and coals	76,777	368,251	29,909	749,698
	927,607	2,278,865	993,304	5,204,251

1866. Increase .. £1,351,258 — 1866. Increase .. £4,210,947

Total of Increase .. £5,562,205.

19. The Returns of imports to Shanghae show a marked improvement, and should be the best argument in favour of giving extended facilities to trade with interior markets. Since 1861 British subjects have had access to the great consuming districts bordering on the Yang-tsze, and the result appears in the statements now brought forward. There is everything to encourage advance; there is, however, no disposition shown by the Chinese Government to entertain proposals to give Her Majesty's subjects more special admission to the great trading marts of the country.

20. Foreseeing that difficulties may be raised with regard to extended intercourse when the High Commissioners meet next year, the Chamber is anxious that Her Majesty's Government should bear in mind the importance of combating the notion of anything approaching to a retrograde movement. At the present juncture foreign trade has received a severe check from the extreme depression pervading commerce generally, it is, therefore, a matter of great moment that everything be done to stimulate and re-enliven that which directly acts upon the manufacturing trade and the shipping interests of Great Britain, and is indirectly conducive to the welfare of certain sections of the British people.

21. In 1856 the British Tariff imposed a duty upon tea of 1*s.* 9*d.* per lb., and on manufactured silks a rate of 3*s.* to 10*s.* per lb., and on particular descriptions a rate of 15 per cent. *ad valorem*. The duty on manufactured silks has been abolished, and on tea reduced from 1*s.* 9*d.* to 6*d.* per lb.

Reduction of Tariff on Imports.

22. Taking the shipments of tea from China to Great Britain for one year, 1866, the reduction of duty, compared with what would have been paid had the rate remained at 1*s.* 9*d.*, amounts for that single year to the very large sum of 7,000,000*l.*; the aggregate reduction, therefore, made during the ten years now closing is a sum total immeasurably exceeding any concession that the Chinese Government will be called upon to make. To this favourable state of affairs may be added the fact that the export of tea to the United Kingdom, which in 1856 was about 88,500,000 lbs., increased in 1866 to 114,900,000 lbs.,

giving to the Imperial Maritime Customs a gradual increase in revenue, which, up to the present time, has received no check, and is likely to continue on the increase.

23. The Treaty of Tien-tsin having been based on an intercourse of reciprocity, this Chamber contends that Her Majesty's Government has fair claim to the very full consideration, and has strong ground on which to frame request for alterations in the existing Tariff. Believing that this view of the position of affairs will be generally accepted, the Chamber advocates that, on the revision of the Treaty, all textile fabrics and metals be henceforth admitted at one-half the rates chargeable under the existing Tariff, that is, reducing the charge originally computed at about 5 per cent. *ad valorem* to 2½ per cent.

24. And further, in view of the probability that a decline in the value of cotton during the next few years will render the rates of the existing Tariff a charge of more than 5 per cent. upon the value of cotton manufactures, your Memorialists trust that the proposed concession will receive your Grace's favourable consideration.

Abolition of all dues on coals.

25. The means of providing expeditious carriage is so greatly beneficial to commerce that entire abolition of all charges on coals, both foreign and Chinese, is earnestly sought for, whether under the Tariff or imposed as coast dues; the fact that heavy dues were laid upon the article seems to have escaped the notice of the compilers of the existing Tariff; it is however confidently expected that this fuel will be freed from all imposts, as refusal to do so would be diametrically opposed to Chinese interests. In proof of the above an extract is here given from Mr. Commissioner Fitzroy's last report of the trade of Shanghae :—

"The duty levied on foreign coals imported into China is fixed by Treaty at 5 candarines per ton. The duty charged upon native coals exported is 4 candarines per picul; and therefore under the Coast Trade Regulations the duty on coals passing from one Chinese port to another amounts to 6 candarines a picul. The disadvantage under which the native product labours is so evident, that it scarcely needs the proof communicated to me by a foreign merchant during the last summer, being the result of two operations in which his firm had engaged as an experiment, and which I subjoin.

"1. Duty paid in Formosa and Shanghae on 7,196 piculs, 480 taels 9 mace 6 candarines, or 23 per cent. on value 1,997 taels 1 mace 7 candarines.

"2. Duty paid in Formosa and Shanghae on 10,000 piculs, 668 taels 4 mace, or on actual market value 2,910 taels.

"Thus the carriage by sea in foreign bottoms from one port to another of the produce of Chinese coalfields is at present virtually prohibited."

26. Article XXVIII contains direct allusions to irregularities in the imposition of transit duties, which, at the close of a period of ten years, still continue to be a great source of annoyance to native purchasers of foreign imports and indirectly to the British merchant.

27. Not only does each province of the Chinese Empire levy dues on foreign goods in transit, but it is almost universal that dues are exacted by the Prefect exercising authority over the Foo or first sub-divisions of a province. In the Province of Fokien and the western district of the Canton province a systematic imposition is practised, detrimental to commercial interests, and producing constant fluctuations in markets, which, if uninfluenced by these illegal acts, would be ruled by the ordinary effects of supply and demand. To quote the text of Her Majesty's Treaty under revision is to express the existing state of affairs, "charges are suddenly and arbitrarily imposed," and to a greater or less extent this irregularity prevails throughout the Empire.

Illegal exactions levied on goods in excess of Tariff.

28. The remedy for this evil may be found in an extension of the foreign inspectorate, which, inaugurated to regulate and systematize the payment of Tariff dues, is now, apparently, the only method which could be devised to correct and adjust the multifarious excesses of the Inland Revenue Department. The benefits conferred upon the Maritime Customs by calling in the aid of a foreign inspectorate is acknowledged by all impartial minds, and by none more readily than by the Chinese Authorities. It seems, then, only in keeping with the circumstances of the present time that efforts should be made to induce order in the Inland Revenue Department, where at present none exists, by the application of a system which has worked so well, thereby freeing commerce from the numerous disadvantages and obstructions resulting from the present uncertainty as to the nature and extent of the charges to be paid on imports.

29. It is unnecessary to cite cases in proof of the statement that transit dues are levied in excess of Treaty stipulations; it is patent to British Consuls, and stated publicly in the printed Reports on trade issued by the order of the Inspector-General of Customs, and demands the special attention of the High Commissioners appointed to revise the Treaty.

30. Much information regarding this infraction of the Article may be gathered by a

Mixed Commission of Inquiry, and it is to be hoped there may be found British subjects in the employ of the Chinese Government who, having the confidence of both Her Majesty's Minister and the Chinese Authorities, may be selected to act in organizing a better state of things, enforcing one uniform system, defining the stations at which collection of dues shall be made, and by inspection at stated intervals, protecting the Chinese people trading in British manufactures, and at the same time British importers, from exactions extorted at the caprice of every petty official.

31. Prominent among the exactions that cramp the expansion of the internal trade of China is the leking or war tax, which, whether originally levied in the interior under the plea of necessity for raising a portion of the indemnity paid to the allied forces after the last war, or to replenish an exchequer reduced by efforts made in crushing the Taeping rebellion, is judged to be an unwarrantable breach of the Treaty. No one doubts but that the leking is, in a great degree, pressed upon the Chinese people for the immediate enrichment, and to administer to the sordidness, of persons having authority in districts where the toll is exacted. This view of the case is, in a measure, proven by the fact that it is most pressed in localities least accessible to the supervision of the Peking Cabinet.

32. In addition to the collection of extra transit dues and the war tax, British subjects have a third grievance under this article in the levying of coast dues, concerning the operation of which, at unfrequented ports, information is with difficulty obtained. Duty at one port is in part collected again upon goods if sent coastwise, an imposition unauthorized and in excess of Treaty stipulations.

Extension of coast certificate exempting ships from tonnage dues for certain periods.

33. Article XXIX. The Chamber seeks for an extension of the coast certificate exempting a vessel, after payment of dues, for a period of four months to a period of six months, and, also, permission during that time to resort to Japan, the Straits, and the Philippines. The certificate now issued limits vessels to trading with the open ports of China, an extension to the foreign ports mentioned would not only be of benefit to shipowners, but permit of more frequent and cheaper carriage of merchandize to and from China.

Portion of tonnage dues to be awarded to cruisers engaged in suppressing piracy.

34. The stipulation to pay dues is, under this Article, exacted without any corresponding return being made of benefit to the shipping interest. It therefore becomes a matter of consideration whether this claim should be allowed under the provisions of a new Treaty, unless some adequate return be made by the Chinese authorities by performance of the duties undertaken under Articles XIX and LIII (relating to a suppression of piracy) and Article XXXII (regarding distribution of buoys and light ships). Under the circumstances of Her Majesty's navy being actively engaged in the suppression of piracy thereby lessening the dangers of the coast trade, not only for British vessels, but rendering the Chinese waters safer for country vessels and for craft under flags of all nations trading with China, it may not be deemed unreasonable to propose that a portion of the tonnage dues paid by foreign vessels, and those bearing the flags of Powers having no naval force in China, be returned to Her Majesty's Government half-yearly by the Maritime Customs in recognition of services rendered. This payment, however, to give no privilege of employment of Her Majesty's cruisers other than that which, on requisition having been made, may be authorized by Her Majesty's Senior Naval Officer at Hong Kong, or by the Consul at coast ports not further north than Ningpo.

Lighthouses and beacons.

35. Article XXXII. The consultations of Consuls and Superintendents of Customs have, it would appear, resulted in the decision that little occasion exists for the erection of marks for the guidance of shipping resorting to open ports. Had the deliberations that led to this conclusion been given to the public, they would have afforded interesting matter for discussion, and would undoubtedly have elicited opinions adverse to the inaction which leaves dangers unmarked, and the entrance to several rivers without those facilities for navigation which were evidently intended to be provided. As the Chinese Authorities, left to themselves, do little, an improvement may be devised by their placing a certain sum, not less than one-fifth of the tonnage dues annually collected at each Treaty port, in the hands of a Board composed of two or more Consuls representing nations that have paid the largest amount of dues on vessels during the preceding year, who, with the Superintendent of Customs, shall meet periodically for the purpose of carrying out the intention of this Article.

Payment of duties.

36. Article XXXIII treats of the standard of silver required for duty payment. The present system of payment of duties is antiquated and highly inconvenient to those engaged in trade, and the Chamber would suggest that the Tariff rates should be payable in whatever coin or bullion may be recognized as the mercantile currency for transactions between foreigners and Chinese at the various ports, without addition for premium. The regulation requiring payment in Haiquan sycee, a currency of which very little actually exists, or in

coin or bullion, with a premium added, supposed to make the payment equal to this all but imaginary currency, is one which should not be permitted to continue. It also fosters abuses committed by the so-called Government banks attached to each Custom-house, these institutions having it in their power to advance or depress the value of sycee as it suits their interest or convenience. A case illustrating the evil of the system has lately occurred at the port of Foo-chow, where, for some years past, Mexican and Foo-chow dollars were received in payment of duties, with a premium of 6 per cent. This per-centage has of late been raised to 10, thus adding 4 per cent. to the duties which were levied a short time ago. Should this suggestion of the Chamber meet with your Grace's approval, and the Chinese Government be induced to accept at the southern ports (Canton, Swatow, Amoy, and Foo-chow), dollars in payment of duties on the same terms as they are received in general commercial transactions, not only would it be a great convenience to trade, but it might be the means of introducing largely into China the dollars coined at the Hong Kong Royal Mint, and thus greatly benefit this Colony. Some years ago an arbitrary distinction was made by the Chinese between Carolus and Mexican dollars, the latter being refused except at a discount of 12 to 15 per cent., a difference done away with by an edict promulgated at the instance of the Acting Consul at the time, Mr., now Sir Harry, Parkes; this case may be said not to apply to the matter here referred to, but it serves to show that reforms of magnitude were effected at a time when liberal ideas were only gaining slight acceptance, and what may be done in the interests of commerce by the representations of a Consul alive to the desirability of freeing it from unnecessary exactions.

Permission to re-export foreign grain.

37. Article XLV. The concluding paragraph of the Article permits that foreign grain brought into any port in China in a British ship, if no part thereof has been landed, may be re-exported without hindrance. The permit does not extend to grain that has been landed and stored. It has frequently occurred that stocks have accumulated at an open port, which might have been removed by the British merchant to a foreign port with advantage. The prohibition to remove foreign grain to ports not in China should be withdrawn, as it has often proved a source of great hardship to merchants not being able to avail themselves of other markets, when those of China were unfavourable.

38. Articles XLVII and XLVIII have been superseded by Supplemental Articles agreed to between Mr. Wade and Prince Kung relative to cases of Customs seizure. Instances which have called for the exercise of these rules have been few, still objection may be taken to them, as there is no gradation of penalties to be inflicted in case of any person or persons on board a British vessel being convicted of a breach of the Customs regulations; ship and cargo are liable to confiscation by the rules agreed to at Peking, under date of 27th October, 1865, and thus the act of an individual, according to the reading of the text of the agreement, is allowed to be sufficient to place in jeopardy property belonging to others. Modification of that portion of Mr. Wade's agreement just considered is almost imperatively required, and further alterations may be suggested with respect to the exemption of British vessels from penalty under certain circumstances, such as entering a harbour as a port of refuge when in distress, towing or assisting vessels in distress, or, if in ballast, for all purposes not being a violation of the law as laid down for the prevention of smuggling in most other countries. In view of the great stringency of this regulation and its unfavourable bearing upon the interests of merchants, its relaxation and amendment is earnestly sought.

Seizure and confiscation of goods belonging to British subjects by Chinese Customs officers illegal.

39. The experience gained by the Maritime Customs under the Foreign Inspectorate, must have dispelled the idea, held at the outset, that attempts to defraud the revenue of just dues were systematically practised. It is, therefore, surprising that so late as 1865, Mr. Wade should agree to rules stringent as ever; and while seeking no redress of British grievances well known to him, and brought to Her Majesty's Minister's notice by this Chamber, consent to adjudication of cases in a Mixed Court, thereby limiting the judicial functions of British Consuls, and at the same time placing them in juxtaposition with Chinese officials, their inferiors in rank.

40. That Her Majesty's Consuls would be desirous of avoiding the position appears to have been foreseen by Mr. Wade, who inserted the clause:—

"The Consul and Superintendent may, if they see fit, appoint deputies to meet at the Custom-house in their stead, in which case the order of proceeding will be the same as if they were present in person."

41. Appeals would be made only in cases of moment; the Chamber therefore begs that in all cases the British Consul will be instructed to adjudicate in person, and be entitled to call a Court at the British Consulate, and that, at the invitation of the British Consul, the Chinese officials representing the Customs be invited to assist in the hearing of the case. The Chamber protests emphatically against the introduction of a procedure placing Her Majesty's Consuls in a lower position than formerly accorded to them, which is directly

calculated to weaken their power, detract from their influence, and render remonstrances addressed by them to the Chinese officials of the districts over which they have jurisdiction less authoritative than heretofore. This Chamber has from the very first denied the right claimed by employés of the Chinese Maritime Customs, to adjudicate in cases of contravention of the Revenue Laws; and it is anything but desirable that those who are to derive a pecuniary benefit from a confiscation should sit as Judges in the case.

Interference with the trade of Hong Ko

42. The Maritime Customs have recently aimed a blow at the shipping interests of Hong Kong by disallowing the transhipment of cargo in this port under exemption certificate. Until this regulation came into force Hong Kong had the same advantages as a Chinese port for the purposes of transhipment, a position simply commensurate with the spirit and intention of the Treaty, as plainly evinced by the fact that vessels trading to Hong Kong are, with respect to the payment of tonnage dues, on precisely the same footing as if trading to any Treaty port. By withdrawing this concession (an eminently beneficial one, the Chamber believes, to the general interests both of foreign and native trade in this part of China), the Customs compel sea-going steamers to load and discharge at Canton, a port unfit for vessels of a deep draft, instead of availing of the more convenient mode of working, in conjunction with the admirable river steamers plying between the two places. This arbitrary change in the policy of the Chinese Customs seems to arise from a desire to ignore Hong Kong, and to enhance the importance of Canton as a resort of shipping; but while the relative conditions of the two places in respect of harbour accommodation must prevent such an idea from being realized, the absence of the facility referred to is certainly a great drawback to those shipping interests, on which the prosperity of Hong Kong as a Colony so much depends. The Chamber therefore expresses a most earnest hope that it will be arranged permanently that merchandize coming from one Treaty port and bound to another may be transhipped in Hong Kong under the same conditions in respect of duty as if transhipped in a Treaty port.

43. The removal of unnecessary restrictions, and the destruction of unfair, because partial, privileges is a matter which Her Majesty's Government, by universal advocacy of all that has tended to promote a liberal commerce, can fairly press upon the attention of the Chinese Government. The Chamber has already alluded to many burdens to Trade which they trust will, under Treaty revision, be removed in China; in addition to these there is an exceptional restriction practised in Formosa which being in contravention of the obligations entered into by the Chinese Government, is here noticed. Camphor is one of the most important exports from Tamsuy; its production, however, is greatly checked by being monopolized or farmed by the Chinese Government, who make sale of the article illegal except to its own nominee. This restriction is injurious not only to the producer, who is compelled to dispose of the camphor to the monopolist, but to the foreign buyer, who is also compelled to submit to his extortions. The throwing open of this trade to free competition has been withheld on no tenable grounds.

Permission to work mines.

44. The abolition of all imposts upon coal would undoubtedly lead to an increased demand for that fuel, which could only be met by working mines with appliances common in foreign countries; with this in view it is important that permission to work mines of all descriptions, and to employ necessary machinery, be granted to British subjects. Coal is found in Chekiang, Oopack, Shantung, and the Canton Province, also in Formosa; it is at present surface worked. The Chinese Government exercise seigniorial rights, which, if defined in a liberal sense, would facilitate the progress of mining.

Desirability of more frequent visits of Her Majesty's Minister to Treaty ports.

45. The recent inspection of Consular establishments at the open ports by Her Majesty's Minister has been productive of good, and the Chamber cannot but express the opinion that an annual visitation is likely to be fruitful of further benefit. A visit of Her Majesty's Minister, accompanied by naval force suitable to his rank, would gain respect for Her Majesty's Government which Chinese officials distant from the capital would not otherwise accord; representations concerning irregularities made by Her Majesty's Minister after personal investigation, would carry weight which could not be gained by correspondence carried on with Peking.

Benefits to be derived from constructing railroads.

46. It is a matter for regret that the Chinese Government has not given encouragement to those who have of late been desirous of introducing a system of railways into the country; the Chamber considers it desirable that the privilege should be accorded, and that to insure this an additional Treaty clause be provided, as, though great difficulties stand in the way of their introduction, these are not insuperable. Looking back to the commencement of the Treaty period, now almost expired, the review leads to the conclusion that, though slow in accepting all that Western civilization offers, the Chinese will, sooner or later, follow other countries in the adoption of quick transport on land, having since 1861 shown considerable appreciation of the rapid conveyance afforded by steamers plying on the coast and on the great rivers, and from their having become large shareholders in

the various Steam Navigation Companies. Not only have the mercantile classes among the Chinese largely availed themselves of the facilities offered by steamers, but officials, and the most prejudiced of all, the *literati*, now acknowledge their utility, and superiority to the old-fashioned mode of transport.

47. The permanent benefits to be derived from the introduction of the system need not be enlarged upon; to China it would undoubtedly be productive of substantial advantage, the foremost being that of giving to the Chinese Government the means of checking rebellion, and communicating rapidly with distant provinces. Construction of railways would bring with it foreigners necessary to the conduct of the undertaking; and it is to be hoped that the country that gave railways to Europe will be instrumental in conferring the same benefit upon China. It is no innovation that employment under the Chinese Government be given to British subjects, and there is little doubt their assistance and co-operation would be as valuable in connection with the introduction of railways as it has been in other respects.

48. This Chamber therefore trusts that Her Majesty's Government will use every argument calculated to induce the Chinese Government to grant permission to construct railways in all parts of the Empire, and obtain an Act giving any company formed to carry out such undertaking all needful privileges.

49. Though the Chinese have placed difficulties in the way of the establishment of telegraphs, the Chamber is anxious that permission be granted to carry them through any part of the country, and in event of their admission, that proclamations be issued making the population within a certain distance of their course responsible for any attempt to interfere with their working. A submarine cable may be laid to China before long; and it is advisable to prepare for the undertaking by obtaining privilege to land the cable at any or all of the open ports, with exemption from duty for all material employed. Telegraphs.

50. The Chamber begs in conclusion to express a hope that it may be permitted to know, prior to Her Majesty's Minister's comment reaching England, how far the recommendations of this Memorial coincide with the views of Sir Rutherford Alcock. In order that delays be avoided, it is respectfully requested that the Superintendent of Trade be instructed to place the Chamber in possession of such portion of his despatches as may relate and reply to points now brought under consideration; the favour would be appreciated and would allow, if necessary, of the expression of assent or dissent with the views propounded in despatches in course of transmission to the Home Government.

On behalf of the Hong Kong General Chamber of Commerce,
(Signed) PHINEAS RYRIE, *Chairman.*

No. 26.

Mr. Trevor to Mr. Hammond.—(Received January 9.)

Office of Committee of Privy Council for Trade,
Whitehall, January 8, 1868.

Sir,

I AM directed by the Lords of the Committee of Privy Council for Trade to acknowledge the receipt of your letter of the 31st ultimo, transmitting, by direction of Lord Stanley, for the consideration of this Board, a copy of a letter from the Belfast Chamber of Commerce, suggesting that textile fabrics should be included in the Treaty of Commerce with China.

In reply, I am to request that you will inform Lord Stanley that piece goods of linen, or of linen mixed with cotton or silk, are included in the Tariff annexed to the Treaty of Commerce with China, and are charged 5 and 2 mace per piece respectively.

An extract from the Tariff is herewith inclosed, showing the duties on linens, plain or mixed with other materials; and I am to suggest that this may be transmitted to the Belfast Chamber of Commerce, with a request that they will state what changes they desire in the present Tariff.

I have, &c.
(Signed) C. CECIL TREVOR.

Inclosure in No. 26.

Extract from the Tariff on Imports into China.

	Per Piece. Mace.
Linen, fine, as Irish or Scotch, not exceeding 50 yards long	5
„ coarse, as linen and cotton, or silk and linen mixtures, not exceeding 50 yards long	2
Other kinds, as unenumerated articles, to pay an *ad valorem* duty of 5 per cent., calculated on their market value.	

Note—Clothing, and carpeting, and druggeting, are *free* of import duty; but if transported into the interior, pay a transit duty at the rate of 2½ per cent. *ad valorem*.

No. 27.

Mr. Hammond to the Secretary to the Belfast Chamber of Commerce.

Sir, *Foreign Office, January 10, 1868.*

WITH reference to my letter of the 31st ultimo, relative to the suggestion of the Belfast Chamber of Commerce as to the inclusion of textile fabrics in the Treaty of Commerce with China, I am directed by Lord Stanley to acquaint you that piece goods of linen, or of linen mixed with cotton or silk, are included in the Tariff annexed to the Treaty with China; and I am to transmit to you, for the information of the Chamber, an extract from the Tariff, showing the duties on linens, plain or mixed with other materials. I am to add that Lord Stanley will be happy to learn the views of the Chamber as to any changes which they may think desirable in the present Tariff.

I am, &c.
(Signed) E. HAMMOND.

Inclosure in No. 27.

Extract from the Tariff on Imports into China.

[See Inclosure in No. 26.]

No. 28.

Consul Winchester to Lord Stanley.—(Received January 13, 1868.)

My Lord, *Shanghae, November 23, 1867.*

I HAVE the honour to inclose, for your Lordship's information, copy of my despatch to Her Majesty's Minister at Peking, dated the 20th instant, forwarding a Memorandum by Mr. Acting Vice-Consul Forrest, in which his experience in the Mixed Court at this port since the 1st of July last is fully detailed.

I have, &c.
(Signed) CHARLES A. WINCHESTER.

Inclosure 1 in No. 28.

Consul Winchester to Sir R. Alcock.

Sir, *Shanghae, November 20, 1867.*

I HAVE been anxious for the time to arrive when Mr. Acting Vice-Consul Forrest, the Assessor representing this establishment in the Mixed Court, should be able to furnish me with a Memorandum on the working of that Tribunal.

The period of four months during which he has discharged these duties, is a space that may be considered almost too short to allow of the formation, even by an officer of his intelligence, of definite views as to the working of the system or the improvements requiring to be introduced into it. But the references in the Memorial of the Shanghae Chamber of Commerce to this Tribunal appeared to me to be founded on so imperfect an estimate of the actual circumstances, that I have thought it desirable to hurry Mr. Forrest to complete

his task before the closure of the Peiho, rather more than I would have otherwise wished to do.

I think it best, with this explanation, to let the Memorandum inclosed speak for itself. That it is a sensible and fair review of what has come under observation will be at once evident on perusal. The suggestion at its termination that the Court should be made to subserve the purposes of a registry of international contracts is a very valuable one, and would tend greatly to lessen occasions of dispute and litigation between Chinese and foreigners.

But the compassing of this, or of the other improvements which the Memorandum suggests, is so evidently involved in the actual instalment of the Tung-chi with his amplified jurisdiction that I venture to hope an early occasion may be taken of pressing upon the Chinese Government the necessity of making this long desiderated appointment.

I have, &c.

(Signed) CHARLES A. WINCHESTER.

Inclosure 2 in No. 28.

Memorandum by Vice-Consul Forrest on the Mixed Court at Shanghae.

DURING the months of July, August, September, and October, 546 prisoners have been sentenced by the Mixed Court for criminal offences, 69 sent into the Chief Magistrate and 114 dismissed. During the same period, 41 civil cases have been investigated, representing a sum amounting to 82,362 taels, or about 27,000*l.* sterling. I am sorry to record that litigation is considerably on the increase both among natives and foreigners, and it is well known in China that crime always increases as the cold weather advances.

The Yamên, built as a residence for the Tung-chi and a Court for the investigation of mixed cases, is nearly completed, and the appointment of the Tung-chi himself is every day expected. Although a nearer and more convenient site might have been chosen for the Court, it is a matter for congratulation that the building is completed, and consequently the reproach removed that the Mixed Court was merely an outhouse of the British Consulate.

It is to be supposed that the arrival of the Tung-chi, with full governing powers over the natives in the Anglo-American settlements, will lead to a modification of the existing Regulations for the guidance of the Mixed Court. These Regulations were necessary when the Haefang, or Wei-yuen, sat merely as the deputy of higher officials in the city, and when charges of a serious nature had to be sent in from the lower Court. Experience has convinced me that in any case considerable changes and improvements are necessary in the existing Rules, to meet the position in which the Court will find itself. They were drawn up before the Court was formed, and consequently before any experience had been gained; many of them have been practically set aside, and the remainder had no Tung-chi ever been appointed, would require remodeling to make them satisfactorily useful. While the individual complaints of disappointed individuals who have not obtained what they are pleased to call justice are not entitled to much consideration, there are undoubtedly many real causes for complaints against the Court as at present constituted, which, it is reasonable to hope, the arrival of the Tung-chi will remove. The arrangement of the Court and the mode of conducting business are alike capable of much improvement according to our foreign ideas, and the extraordinary inertness evinced by the officials in allowing defendants against whom judgment has been given to elude, or set at defiance, such judgment is deserving of the severest censure.

With regard to the arrangement of the Court, considerable changes for the better will be made in the new Yamên. There will be better accomodation for counsel and the representatives of the press; better accommodation for the assessors; and the public will not be able offensively to intrude in all parts of the building. A much larger staff of Tinchais and two or three foreign constables will prevent the noise and disorder in which the natives delight and compel spectators to observe a respectable demeanour. Any foreigner who has seen a trial in a Chinese tribunal will acknowledge that the proceedings there are noisy and irregular, and will agree with me in the necessity of attempting as far as possible to induce the Chinese Judge of the Mixed Court to take the mode of procedure in an English Court as his standard. The thing, simple as it seems, is not so very easy to bring about. A mandarin's servant that I ordered out of court once for smoking was exceedingly indignant, and so was his master. To make witnesses and spectators keep silence during the examination of an individual, and not interrupt proceedings by questions or suggestions, is another difficulty which a Chinese official would never attempt to grapple

with. It is not their custom, and they will not acknowledge the necessity of any deviation from their traditional mode of conducting trials. I must, however, acknowledge that the native magistrates with whom I have sat have been anxious enough to meet the wishes of the foreign assessors in all questions concerning the management of the Court, although, from the smallness of the staff of constables, they have not always been able properly to control the large number of spectators that are generally found collected there.

In the Court now existing, but which will terminate on the arrival of the Tung-chi, the powers given to punish criminals are, in my opinion, not sufficient. Without reference to the Taoutae the highest punishments that can be accorded by the Wei-yuen sitting with foreign assessors are 14 days' hard labour, 100 blows, 100 dollars fine, and deportation to the criminals' native places. By reference to the Taoutae these punishments can be somewhat increased. Very bad cases are usually sent into the city for examination before the Chih-hsien, and I am sorry to have to record my opinion, based upon much observation, that as a general rule punishments are not inflicted by that official. I always object to a sentence of flogging being passed on a culprit; because I do not think the sentence is carried into effect; whereas the chain gang is under the supervision of foreign constables, and any man sentenced to it gets invariably his full punishment. As the Tung-chi will have more than a Chih-hsien's power, it is probable that sentences will be more in accordance with the magnitude of the offences, and as considerably more opportunity will be given to the foreign Assessors to see the punishments properly carried into effect, I hope that cause for complaint on this head will disappear. It is, however, with the civil jurisdiction of the Mixed Court that the greatest amount of complaint lies; and if the difficulties in meeting the requirements of these cases, involving, as they do, questions vital to the well-being of the foreign trade of Shanghae are very great; the necessity of some acknowledged uniform course of action is all the more pressing. There is no such thing as a recognized commercial law in China; trade is conducted almost entirely under rules arbitrarily issued from the various guilds. The rules even are not always recorded. An attempt to get written opinion concerning bargain, money, and other mercantile questions —constant sources of litigation—made by the British Consulate, met with no success. Not one of the questions was answered by the guilds to whom they were addressed. The power of the Magistracy over these powerful combinations of wealthy traders is exceedingly small, most of the officials having been at one time or another members of them, and to them they still look for funds in time of emergency. To these guilds every *bonâ fide* Chinese merchant who has dealings with foreigners, belongs. It is not to be wondered at that decisions against guild merchants are with difficulty to be obtained, and that when obtained their enforcement is a very tedious operation. The same difficulties—judgment against them being very much more easily obtainable—lie in the way of enforcing decisions against the native brokers, who are, in these times of commercial disorganization and bankruptcy, very troublesome and dishonest. They are, for the most part protégés or relations of the guild merchants, or protected by them. The way in which they cause trouble is simple enough; when matters look well they engage to take large quantities of foreign goods within a certain fixed time. They sign the contract and sometimes pay a little bargain money. If, during the time given for them to take delivery, the market rises, they carry the goods away; if it falls they break their contract. Their excuses, subterfuges, and false statements are endless, and when judgment is given against them for non-fulfilment of contract, they generally manage to avoid the consequences for a long time, sometimes even for more than a year. The Mandarins have the power to incarcerate these people or otherwise enforce their sentences, but very seldom attempt to put their authority into force. It is but a small matter the length of time a trial takes if, at its conclusion, judgment is done; but it is very subversive of the dignity and authority of a Court after a lengthened trial not to be willing or able to enforce its own decisions.

It is to be hoped that the Tung-chi will have the most stringent orders imposed on him promptly to enforce the Court's decisions. For while the Chinamen can set at nought, without fear of the evil consequences, the orders of their Authorities, foreigners will obtain no justice; but if it once becomes manifest to the natives here that an action against them is an unpleasant reality a great deal of the fraudulent and gambling trading here will cease, to the great benefit of trade generally.

The stronger the foreign element becomes in the Court the greater will be the security given to the public that substantial justice will be administered. It is idle to suppose that an institution so much opposed to native prejudice can at once assume the order or proportion of a Court whose proceedings have been nearly the same for centuries. It will be only by degrees and by a steady resistance on the part of the foreign assessors to any of the malpractices which bring the Courts of China (and of other countries) into

disrepute, that the Mixed Court can be moulded into what it should be—the one institution where mixed cases could be tried. Equally idle is it to suppose that when no commercial code exists one can be at once made, or that the Chinese are willing to accept from us the machinery of our law with its enormous expensiveness because their own way of conducting Courts is not pleasing to the foreign mind. Nor is it to be supposed that in particular criminal cases the punishments inflicted will be in excess of the amount distinctly laid down in the Penal Code, or that well-defined and long-established customs will be violated because a few foreigners wish it. I believe that it is perfectly possible to make the Mixed Court into a well-organized, well-managed institution, in which justice will be done at very small cost, provided the native official is instructed promptly to enforce his decisions, and compel obedience to his warrants. Its utility might also be much extended. For instance a registry might officially be kept there, wherein to record all agreements, security papers, deeds of sale which pass between foreigners and Chinese in the language of the latter. These documents could, for a small fee, be translated and explained, and would, when sealed by the Court, have a validity attached to them which is wanting now, and which the Chinese officials could not refuse to recognize.

(Signed) R. J. FORREST, *Acting Vice-Consul.*

Calendar of Proceedings in Criminal Cases before the Mixed Court, from July 1 to October 31, 1867.

Sittings of Court daily (Sundays excepted).

Wang Tsze Yuen, *Chinese Magistrate.*
Wu Yu Yin, *Ditto.*
R. J. Forrest, Esq., *Vice-Consul;* or,
Dr. Jenkins, *Interpreter, United States' Consulate.*
W. R. Stronach, Esq., *Interpreter, Her Britannic Majesty's Consulate.*

Offence as Charged.	Number of Prisoners brought before Mixed Court.				Sentence of 546 Offenders, convicted by Mixed Court.					
	Arrested.	Acquitted.	Convicted by Mixed Court.	Committed to Chief Magistrate.	Warned.	Flogged.	Cangued.	Imprisonment or Hard Labour.	Fined.	Deported.
Murder, cutting and wounding, piracy, gang robbery, &c.	19	2	14	3	..	3	3	..	7	1
Burglary, robbery	64	7	38	19	..	16	2	14	..	6
Rape, abduction, seduction, &c.	3	3	..	..	..	..	..	..	..	..
Assault, assault and robbery, broils, false imprisonment.	197	23	167	7	4	41	3	26	93	..
Petty theft	290	49	218	23	6	47	15	130	11	9
Municipal offences	76	9	67	..	31	..	..	13	23	..
Extortion, perjury, forgery, and swindling, &c. ..	17	2	7	8	1	2	1	..	3	..
Receiving stolen property, miscellaneous	63	19	35	9	2	4	..	12	15	2
Total	729	114	546	69	44	113	24	195	152	18

Return of Civil Cases tried at the Mixed Court, from July 1 to October 31, 1867.

Nature of Suit.	Total.		For Plaintiff.		For Defendant.		Referred.		Withdrawn.		Unsettled.	
	No. of Cases.	Amount in Taels.	No. of Cases.	Amount in Taels.	No. of Cases.	Amount in Taels.	No. of Cases.	Amount in Taels.	No. of Cases.	Amount in Taels.	No. of Cases.	Amount in Taels.
Breach of contract ..	17	58,474 70	10	29,490 30	..	..	..	..	6	26,403 40	1	2,580 0
Bill of exchange and promissory note . ..	3	1,078 50	2	750 0	..	..	..	..	1	328 50	..	..
Balance of account ..	2	2,605 13	1	800 0	..	..	..	..	..	..	1	1,805 13
Claim under guarantee bond	1	785 3	1	737 28	..	..	..	..	..	..	..	..
Damage loss	6	3,994 2	1	275 0	1	2,192 11	..	..	3	493 0	1	1,033 91
Goods supplied . ..	3	281 79	1	34 16	1	236 87	..	..	..	..	1	10 76
Money advanced ..	3	13,862 77	3	13,862 77	..	..	..	..	..	..	..	..
Municipal taxes . ..	4	475 0	4	475 0	..	..	..	..	..	..	..	..
Rent	1	6 59	..	..	1	6 59	..	..	..	..	..	..
Salvage	1	800 0	1	800 0	..	..	..	..	..	..	..	..
Total	..	82,362 53	24	47,224 51	..	2,436 57	..	..	10	27,224 90	4	5,129 80

No. 29.

Sir R. Alcock to Lord Stanley.—(*Received January* 27, 1868.)

(Extract.) *Peking, November* 15, 1867.

WITH a view to elicit the opinion of my colleagues as to the expediency of claiming next year a revision of Treaties, I drew up for communication to them the inclosed Memorandum on the general situation. I conceived that if they in like manner were to commit their views to paper, there would be a fair opportunity of getting an insight into what is thought about China, and its relations with Western Powers. This object has not been very fully attained, for nothing has been communicated to me in return, on paper, and in conversation I can only gather that there is a general concurrence in the conclusions suggested by the Memorandum.

The foreign Representatives may possibly express their opinions more fully in communication with their respective Governments; and as they are forwarding copies of the Memorandum in question by this mail, it is essential that it should also be in your Lordship's hands.

After glancing at the ultimate connection between the internal administration of the Empire, and its foreign policy, and the consequent difficulty of absolute non-intervention in the former, since the interests of Treaty Powers were often directly affected by administrative acts, bringing them within the province of diplomacy, the importance of a general accord in such action is pointed out. In furtherance of this, and for the better understanding of the larger questions involved, it is suggested that the foreign representatives should freely exchange opinions in respect to a revision of Treaties for communication to their respective Governments, to assist them in forming a final judgment upon the question. This is the object proposed—

Two questions arise at the outset:—

1. Are the defects, previously touched on in the preamble as vitiating the whole Chinese Administration, and influencing its policy, domestic and foreign, of a nature to make sweeping changes and radical reforms the necessary conditions of improvement?

2. Is there any reasonable hope from what is known of the Imperial Government, as at present constituted, that diplomatic action could obtain these?

These defects are carefully passed in review, taking first those which operate on the people, creating insurrections, keeping up disorder and discrediting the Government; and subsequently those which bear more directly on the foreigner, and his interests in connection with trade. And the conclusion arrived at furnishes answers to both the questions. Great reforms and innovations are essential to any improvement, and to the restoration of order in the Provinces; and during the minority of the Emperor, as the governing power is at present distributed, there seems little or no ground of hope that Diplomatic action can effect such changes.

This view is still further confirmed by an analysis of the principal demands of the mercantile communities, as expressed in their Memorials lately presented, copies of which have been forwarded direct to the Foreign Office from Shanghae, Foochow, and Hong Kong, as I understand.

All their wants turn upon three or four cardinal defects, not of the Treaties so much, as in their execution. To remedy this defect of execution, and give freer development to trade they want:—

1. Relief from inland and local taxes, or exactions on goods;—the question of transit dues and leking taxes.

2. Greater facilities of access and communication with the interior, which, in effect, means the introduction of railroads and telegraphs, and the right of navigation by steam of certain inland waters, the Poyang Lake more especially.

3. The privilege of working coal and other mines, and of residence in their vicinity as well as at centres of produce and industry in the interior.

4. The establishment of an International Tribunal with a civil code of laws and procedure, and security for the due execution of awards against Chinese debtors or defaulters.

Anything short of these will avail very little, and scarcely confer any advantage worthy of serious effort. Mere rectifications of tariff, or modifications of trade regulations, can as easily be attained without, as with, the formality of a revision of Treaties.

This being the case, the question arises—if nothing is to be gained by demanding a revision which may not be as well obtained without—whether much would not be lost, and an opportunity thrown away which might, by reserving the right, be turned to better account when the Emperor's majority is declared. I believe the true policy of foreign Powers would be to wait.

To this conclusion, so far as I can ascertain, all the Representatives of foreign Powers now in Peking are led by a consideration of the present state of the country, and the conditions required to effect any important changes, either in the Chinese Administration, or the position of foreigners and the trade in the interior.

My own conviction is strong as to the necessity for patience in dealing with the great interests at stake. This is further strengthened by what I know to be the opinions of Mr. Hart, founded on a more intimate knowledge of the actual machinery of Government, their difficulties, and the bias or tendency of the members composing the Cabinet, than any foreign Minister can obtain.

Although the general aspect of affairs is very unsatisfactory and unpromising, I believe there is a leaven at work among the ruling classes, and more especially in the Foreign Board here, if not in the palace itself, which forbids despondency. If only means can be found of keeping from them all foreign meddling and attempts at dictation, there is yet ground of hope. But these rouse strong instincts of resistance and national pride, giving fresh force to the retrogade and anti-foreign party; while at the same time it paralyzes all hopeful effort in those more favourable to progress, from the fear of its being made a new pretext for action on the part of one or more foreign Powers, and a degree of interference with their internal affairs which affects their sovereign rights as an independent nation. Governing under an incessant menace of this interference, wounded in their *amour propre*, and irritated with a sense of humiliation in their inability to resist, they do nothing. Great changes might be looked for at no distant period, I am satisfied, but for this ever-recurring obstacle—a veritable *bête noire* to the Chinese. No nation likes the interference of a foreign Power in its internal affairs, however well-intentioned it may be, and China is no exception to the rule. On the contrary, their pride of race, and what they conceive to be a real superiority in civilization to all outside nations, renders them peculiarly impatient and restive under the goad of foreign impulsion. I am thoroughly convinced they would go much faster and better if left alone. They see now where the nations of the West are immensely superior, and have the advantage of them, both in the arts of war and peace. They have learnt the former by a series of very bitter lessons; and the consciousness of the latter has not less certainly, though more slowly, penetrated through the triple armour of ignorance, pride, and prejudice, to the heart of some of their leading men.

I inclose two leading articles which appeared in one of the local papers, recently, on "Chinese Tribunals" and "Religion in China." They have a certain bearing on many of the views expressed in the Memorandum, and tend to the same conclusions. I have no information as to the author, but they are well worthy of perusal.

As regards the future, I believe there are many things to be gained, if worked for singly, and pursued quietly, without too much pressure for a speedy solution. This will not satisfy the merchants; but I am well assured such a course will best secure the permanent interests of trade, and the maintenance of friendly relations between the two countries; and these, not the transitory advantages to be derived by individuals, must be the chief care of a Minister, as they are undoubtedly the objects of greatest solicitude to Her Majesty's Government.

Inclosure 1 in No. 29.

Memorandum on the present Condition of the Chinese Empire and its Internal Administration, in connection with a Revision of Treaties.

HOWEVER sincere may be the desire of the Treaty Powers to act upon the principle of non-intervention, and not to exercise in the internal affairs of China any influence of a nature to prejudice the right of the Chinese nation to constitute freely the form of its Government, the foreign policy of the country is too intimately connected with its internal administration and constitution to allow of their separation. When dealing practically with Treaty rights and privileges in China, foreign ministers have before them constant evidence that the greatest obstacle to the execution of the most important stipulations for the protection of life and property and the free development of commerce arises from internal disorder and misrule in the provinces. These again are to be traced partly to defects in the Government at Peking, and partly to the venality and incapacity of the whole body of officials throughout the empire. The sale of places and rank fills the public offices with corrupt and incompetent men; while the system of exacting heavy fees of office in the shape of bribes from every officer, on appointment or promotion, to those above him, and especially to the high authorities in Peking in the several Boards and in the

palace, lends a sanction to the only means by which such sums can be raised, extortion and corruption. From the highest to the lowest rank these vices prevail to the ruin of the people and discredit of the Government. Justice is no longer administered by the tribunals, but in its place injustice is sold notoriously to the highest bidder. Hence universal discontent, tax riots, and more extensive insurrections. These combined causes, produce a state of protracted disorder in the provinces which paralyzes the arm of authority and weakens the springs of Government, to the suspension of all regular administration.

Under such conditions little is gained by talking to the Foreign Board at Peking of the obligations imposed upon the Government by Treaties, of their habitual violation in the provinces, and all the wrong and injury suffered in consequence. Their helplessness to prevent the prevailing disorder, or to take any effective steps to put an end to it, is only too manifest; but not more than their incapacity and reluctance to initiate and carry out those radical reforms in their internal administration and all the public offices, without which nothing can be effected either towards the redress of grievances or the restoration of order, on which last all hope of amelioration depends.

Hence the domestic policy of China and the whole internal administration become matters of legitimate interest to Treaty Powers having large material interests at stake. Any course of action on the part of the Chinese Government, which directly tends to jeopardize these, raises questions of international character, and thus brings the whole subject within the province of diplomacy. And whatever objections may exist in principle to any intermeddling, whether by advice or dictation, in the internal affairs of a nation, it becomes quite obvious that the Treaty Powers are reduced to one of two alternatives. Either they must be content to let things take their course until a natural cure is wrought by native agencies, and revolution has brought about the fall of the dynasty, and the accession of a Sovereign of more energy than any of the present race has shown, since the reign of Kanghi and his son Yung-Chin in the beginning of last century,—the usual result of misrule, as their history shows,—or exercise such influence as shall constrain the existing rulers to make radical changes in their whole administration and system of government, introducing such innovations as may be essential to an improved state of affairs.

If any steps are to be taken in this direction, it is very desirable that there should be a mutual understanding among the Treaty Powers. If the object be improvement and progress, rather than disruption and dismemberment, this is obviously essential, and where there are common interests there should be no permanent jealousies to interfere with united action. Of course if the objects contemplated should prove different, no unity of action or co-operation can be anticipated. But the better to remove all doubt, and indeed for the full understanding of the grave questions suggested by the condition of the Empire, it would seem expedient for the Foreign Representatives now in Peking to exchange opinions with a view to determine how far any divergence of views, either as to the objects or the means, may be anticipated, and ascertain generally whether some accord may not be secured, and the result communicated to their respective Governments. The present Memorandum is drawn up with this view.

To any nation which has made Treaties with China, chiefly if not solely in the interests of commerce, no policy will be likely to recommend itself which puts these in peril, without any sure promise of ultimate improvement. Thrice within a quarter of a century Great Britain has defended these interests in China with the sword; a sufficient proof of the importance it attaches to their preservation. And although in all the Treaties with Great Britain stipulations have been introduced with a view to secure tolerance in religion, to facilitate progress and the advance of civilization, these objects have been avowedly subsidiary. Not from any indifference to the ends, but from a mature conviction that they are not to be advanced by compulsory action of foreign Powers, or any coercive interference in the internal affairs of another country. And further, that a policy founded upon an opposite principle is incompatible with what is declared in the title and preamble of the Treaties entered into by Great Britain, and subsequently by other foreign Powers with China, to be the primary if not exclusive object of all "peace, friendship, commerce, and navigation."

It will narrow the field to be gone over, and tend to simplify the farther consideration of the whole subject, if the view be limited to these, and the bearing of any policy, Chinese or foreign, upon them.

Two questions present themselves at the outset, of such paramount importance that an inquiry into the fitting answer to be given to each must precede any considerations of the policy to be adopted:—

1st. Are the defects already glanced at as vitiating the whole internal administration of the empire of a nature to make fundamental changes and sweeping reforms the necessary condition of any effective improvement in the fulfilment of Treaty obligations? and,

2ndly. If this be the conclusion to which a searching and comprehensive inquiry leads, is there any reasonable ground of hope from what is known of the Government of China as at present constituted, and the ruling classes, by which it is administered, that diplomatic action can obtain the prompt initiation and carrying out of these changes and reforms?

What are the best ascertained of these defects, viewed broadly, with especial reference to foreign interests and Treaty rights? They may be grouped in two classes; those which tend to oppress and exasperate the native population, creating insurrection and keeping up a state of disorder in the provinces and discrediting and weakening the Government; those which bear more directly on the foreigner and his interests in connection with trade and tending to nullify the Treaties.

Under the first head comes the universal corruption and venality of the authorities and their general unfitness for the offices they fill, mainly due, beyond a doubt, to the departure from their own fundamental axioms of Government in the sale of places and rank, combined with inadequate salaries and want of retiring allowances, as a means of securing honest service. Laxity of surveillance and feebleness in the Government at Peking, where the Ministers are equally venal and open to bribery, follows as a necessary consequence. The misrule of the whole country under such conditions, the denial of all justice in the tribunals, and the systematic rapacity and extortion of every class connected with public offices, have raised taxation to prohibition point on native trade, creating general distress by checking industry, and generally driven the most peace-loving and easily-governed people in the world into a state of chronic rebellion. The principle of cumulative functions in the hands of single officers which it is essential should be separate in any good Government, is an evil demanding prompt cure. Where the same officer is magistrate, coroner, tax assessor, and collector, it is impossible that there should not be great abuses.

It must be obvious that to remedy these defects nothing short of sweeping reforms and some very fundamental changes are required. The restoration of order cannot be anticipated until such changes are made, and without that there can be no security for life or property or fulfilment of the obligations enforced by Treaties.

One other defect has especial reference to this part of the subject. The stupid practice of appointing civilians in command of armies, and entrusting to them the conduct of military operations, contributes quite as much as the corruption of every Administration to incessant defeats and wasteful expenditure. The armies are always in arrear of pay; they are ill-fed and worse clothed, all owing to the same cause. Without efficient organization or discipline, they simply serve to swell the ranks of the insurgents; and the large sums levied upon the people, and especially on trade as war taxes, are worse than wasted. A large portion goes into the pockets of all who have a hand in their imposition, collection, or distribution. The smaller part, which is allowed to reach the soldier in the end, is still further thrown away by the ignorance and incapacity of the officers, the want of leaders, and of efficient organization and discipline. A more honest application of funds, and a good military organization, with competent instructions to officers and men alike, are essential to the restoration of order in the provinces.

It may well be doubted whether this vast Empire is not too large to be any longer governed from Peking. Without such facilities for rapid communication and concentration of forces on any given point as railroads and the telegraph can alone supply, the task seems too great even for a Genghis Khan. It is altogether too far removed from the southern and most populous provinces for active surveillance or control; and is otherwise most inconveniently situated for the seat of Government. In the midst of an arid plain, inaccessible by water, and dependent in great measure for its provisionment on the transport of grain from the south, it is separated by a six weeks' journey from Canton and all the western provinces. It is impossible to conceive a more disadvantageous site for the capital, and it favours decentralization to any extent which goes far to take all control from the central Government.

Traditions of the past are not in this day, if they ever were, safe guides for the future, because China is now in relation with foreign Powers, each one capable of subverting its independence if so disposed. Their interests must, therefore, necessarily be considered in its internal Government, and that is precisely the lesson the Chinese rulers and the whole official class find it most difficult to learn.

This brings us to the second group or class of defects in their system of Government. For if fundamental charges are needed for the restoration of order, without which no Treaties can obtain execution, it is certain that independent of the abuses already specified which tend to excite rebellion, there are others not less serious which bear especially upon the rights of foreigners. And none more notably than the constant practice of arbitrary

and unlimited levies of illegal taxes upon foreign goods, expressly exempted by Treaty from any kind of exaction on the part of the Mandarins after the payment of a transit duty of 2½ per cent. This stipulation has been made a dead letter by continuous and persistent disregard of all Treaty provisions an the subject. The central Government has failed to check this open violation, or to obtain any redress for merchants whose interests have thus been sacrificed with impunity.

So again in the recovery of debts from Chinese, and the punishment of fraudulent and dishonest compradores robbing their employers, all reliance on the native tribunals has proved illusory; and there is in this respect not only a total failure of justice, but an equally persistent disregard of the obligations contracted under Treaties. The merchants are quite justified in stating "that the absence of any known system of civil law among the Chinese makes it impossible to a foreigner dealing with a native to feel that he possesses remedies against ill-faith or security for the enforcements of contracts." This is quite as great an evil as illegal taxation on trade, and the exaction of dues upon foreign goods *in transitu*. The two together inflict grievous injury upon the merchant, check the development of trade, and nullify in some most important articles the Treaties made to protect both. Nor after the last six years' painful experience of the futility of all efforts to induce the Government at Peking to take effective action and provide a remedy, can there be any hope of improvement without a radical change of system. The institution of an International Tribunal with a definite code of civil law and procedure to regulate all decisions, can alone meet the end, and this, in spite of various efforts made in that direction by the establishment of a Mixed Court at Shanghae, has hitherto proved unattainable.

The conclusion justified by such facts would seem to be anything but satisfactory. Whether we regard the action of the Government and the Provincial Administrations in connection with defects in their system and abuses, goading on the population into rebellion;—or the acts of both which inflict more directly injury and loss upon foreigners, involving open and deliberate violations of the Treaty and a persistent disregard of all rights under it, there is little or nothing to be hoped from the spontaneous efforts of the existing Government.

Both questions, therefore, have received their answer by incontrovertible facts. Fundamental changes are essential, and the chances of these, by any spontaneous action of the Government or merely diplomatic efforts, at present are nil.

The only question remaining is, whether, by further diplomatic efforts or negotiations firmly and unanimously maintained by all the Treaty Powers at the approaching period, when a revision of Treaties may be demanded, a different result can be secured.

To answer this the Constitution of the present Government, and the circumstances in which its members are placed, must be carefully kept in mind.

With an Infant on the Throne, and the autocratic power vested in the Emperor of China, put in Commission, as it were, to be divided among a number of subjects with none of the immunities which make all action possible and safe to an Emperor in the plenary exercise of his authority, much cannot be hoped. The Dowager Empress, and nominally the two empresses, the younger being the mother of the Emperor, occupy the position of Regents and Guardians, completed as a Regency, or supplemented, by a Grand Council composed of a Prince of the Blood and certain high officers, to the number of four or five. There is also a Grand Secretariat, a sort of second Council, to which affairs of State are also referred. Finally, there are the permanent six Boards of Administration, each presiding over some special department, who take the initiative and report to the Throne on all matters within their province, much as Secretaries of State or Ministers of different departments do in Europe, and take the Emperor's instructions. Under existing circumstances it is obvious that the power of determining. which nominally rests with the Empress Dowager, by and with the advice of her Council, must be subject to great fluctuations of influence, some official and recognized, and, more possibly, from those about the person of the Empresses and in their confidence, though not recognized as having any voice in the Government. The Empresses themselves can have had no training for the discharge of the duties of Government. Whatever may be their natural intelligence they must be equally wanting in the necessary knowledge of administrative details and political experience. With concubines, eunuchs, and slaves for their companions, living in all the seclusion and indolence of an Eastern Court, as jealously maintained in respect to women in China as in Turkey, they must be wholly incapacitated from really determining any question of policy.

The real governing power is thus rendered impersonal and shuffled from hand to hand. No one person is or can be held responsible for its exercise either by foreign Powers or by the nation, and it is so divided among Councils and Boards that there is a corresponding laxness and feebleness in all the functions of Government, the real

responsibility of each being in an inverse ratio with the numbers concerned. This is an evil condition for an Empire to be in which is torn by internal troubles and insurrections and pressed upon from without by foreign Powers demanding in their own interests both prompt and vigorous action in the executive, with large measures of reform and fundamental changes in the system of administration.

In past times the Rulers of China, pressed, no doubt, by the necessity of governing provinces stretching over half a continent, each larger, richer, and more populous than most of the kingdoms of the Western hemisphere, of governing them effectively, keeping order, raising a revenue and obtaining men for an army, with a central power of control over all, seem to have devised a system which with one advantage has one radical vice. Each province constitutes a separate State in its administration. It has, under a Governor-General, its own Budget, collects its own taxes, levies its own dues, remitting only a stipulated amount or proportion to Peking for the Public Service and the palace. It has its own militia, and pays all the civil and military employés within its limits, making Reports to Peking from time to time on all these heads. Each province, with its Governor-General and large body of Mandarins, is practically as independent, in all that concerns its internal administration and Government, as a Federal State in America. To compensate for this, and avert some of its dangers possibly, the Emperor can appoint and remove every official, from the Governor-General downwards at his pleasure; and they are each and all, individually and collectively, held responsible for all that may happen within the limits of their jurisdiction, and this wholly irrespective of any fault on their parts. This sort of unlimited liability for the faults and crimes of others, is the fruitful source of mischief. Individual crimes committed by people far removed, insurrections, failures of harvest, want of rain, foreign invasions, all alike are visited upon their heads, and they are made answerable in purse and in person for what no human effort or prevision could have prevented. The natural result has been the resort to means by the Mandarins for the evasion of such palpable injustice productive of a whole progeny of ever increasing moral and social evils. Liability to punishment, not for malfaisance, but want of success in the prevention of crime or the apprehension of offenders, causes officers to be constantly on the watch to quash in the very beginning any proceedings against criminals which might bring the commission of offences under notice. Hence great impunity to crime, and often great judicial wrong, in the desire to get rid of witnesses or falsify evidence tending to bring crime to light, and not seldom the perpetration of great enormities. The general depravation of all the fountains of justice, and of the people themselves naturally follow. They see crime continually connived at by authorities, and know it to be often perpetrated by them; prisoners being starved and tortured to death, and others being precipitately executed under false charges, all with the same object, to avoid a responsibility which never should have been imposed. This violation of a fundamental principle of legislation, of dealing with every man according to his merits, is a political blunder, if it were nothing else, the effects of which are shown in universal corruption and falsehood. And this leaven works until it becomes the habit and tradition of the whole class of officials, and from them extends to the mass of the population. Public opinion, through persistence in a long course of wrong-doing becomes demoralized. Bribery comes to be considered an essential part of the system of government, and inseparable from the administration of the laws, of which the Mandarins all take advantage. But this theory of ubiquitous and unlimited responsibility, irrespective of the merits or demerits of the individual officer, operates in another direction, and, if possible, with still more fatal results during the present interregnum, as regards the foreign policy of the Government, and the initiation of any measures for the reform of abuses or bold innovations such as the introduction of railroads. An Emperor alone can sanction any change in established laws and customs, without a liability to forfeit his head on a charge of treason. There is no Minister or officer so high placed that may not be subjected to this fate, as soon as the Emperor's majority is attained, simply as a consequence of any concession or privilege granted to foreigners, or even any innovation such as the forming of colleges for the tuition of Western languages and science, the building of steamers, the working of mines, the laying down of railroads, &c. That the existing foreign Board should have ventured upon the first two of these must be regarded as an exceptional proof of boldness. That they have resolutely and determinedly resisted all efforts to make them take any step in respect to the third and fourth, shows how tentative and hesitating all advances in such perilous ways must be, and how little can be built upon the prospect of further progress under the existing régime. Treaties cannot alter national feeling or long established customs, and are not, perhaps, the best instruments for effecting fundamental changes in either. These in China are all opposed to the extension of foreign intercourse, or the adoption of any innovations borrowed

from the West. The imperfect fulfilment of Treaty obligations hitherto obtained, is greatly due to this cause. As a rule, the whole class of Mandarins regard with aversion all foreign intrusion; and the comparative independence of the provinces and system of decentralization which prevails, enables them to carry a system of obstructiveness into practice with impunity. They are the more disposed to persevere in this course, that the pretension of the foreigner to carry his goods inland and traverse the provinces with Chinese produce once purchased by him, without liability to local taxation, strikes at the root of one of the chief sources of provincial revenue, and the legal exactions in which every officer is deeply interested. Whoever seeks to curtail their power to levy arbitrarily and without limit such illegal taxes, must lay his account with the passive resistance of the whole provincial administrations, and the active enmity of every official in the Empire. Can it be wondered at if the stoutest heart and the most liberal minded among the Peking Councillors shrink from such a contest?

That amicable relations should have been kept up, and trade even been largely extended under such adverse conditions, is a more favourable result than could have been fairly anticipated, with a full knowledge of such an army of hostile feelings and personal interests on the side of obstruction, and ever on the alert to bar the way and create difficulties.

Seeing, then, what fundamental changes are required in the internal affairs and the administration of the provinces as a necessary preliminary to improvement, and notably to the restoration of order and the execution of Treaties in which foreign Powers are chiefly interested, and at the same time what are the impediments to such changes, and the instruments by which their removal would have to be undertaken, we return to the question—Is there any reasonable ground for hope that negotiation can obtain the prompt initiation and completion of these reforms and progressive changes?

Perhaps it may be worth while, before suggesting a more definitive answer, to glance at the demands of trade and the modifications required in its interest, as these are set forth by the merchants themselves in the annexed Memorials from Shanghae, Foochow, and Hong Kong, which go into the subject in great detail and travel over the whole field of their grievances and wants for the free development of trade and the better protection of their interests. It will be seen that their demands may be classed under a few heads. All their wants turn on the abolition of inland taxes and imposts as a fruitful source of extortion and vexatious delay entailing grave loss; increased facilities of communication with the interior by railroads and telegraphs, with a right of navigation by steamers in certain inland waters; the privilege of working mines, with a right of residence; and the establishment of tribunals honestly administered, with a definite code of mercantile law and procedure for recovery of debts from the Chinese, and the punishment of frauds and robberies by Chinese on foreigners.

It is clear that, for the attainment of any one of these objects, not only the restoration of order is a first and essential condition, but great changes and reforms would be required throughout the Empire. And if these are not to be obtained by friendly negotiation, or by any amount of pressure short of coercion or a menace of war, it becomes matter for grave reflection whether foreign Powers would do better to reserve any serious effort until an Emperor was upon the Throne, against whom pressure, or coercion if thought necessary, could be brought to bear with effect? If these means were to be tried with the ruling power distributed in the hands of many, as it now is, the only probable result would be their disappearance from the scene. They would crumble and fall to pieces under the process; and should we not in that case break the instruments at present in our hands without any reasonable hope of supplying their place with better?

The demand for a revision of Treaties, with no better object than to obtain some rectifications of tariff or trading regulation, which could be just as well obtained without any formal revision, would be apparently to throw away for nothing the opportunity of exercising a right which, however valueless now, might, five or six years later, be turned to better account. If foreign Powers, on the contrary, reserved their strength for a vigorous effort, when the declaration of the Emperor's majority should bring into existence a personal and tangible power against whom pressure or force could be directed, there might be some hope perhaps of a successful issue.

On the answers which may most fitly be given to the various questions here suggested as deserving consideration, must obviously depend in a great degree the advice to be offered or the opinion to be given by the foreign Representatives to their respective Governments as to the policy of demanding a revision of Treaties in the ensuing year.

There is much which might be brought forward in any exhaustive treatment of so large a subject, that has been omitted for the sake of brevity, touching the Chinese mode of regarding the whole question of their foreign policy, and the rights and pretensions of

foreign Powers under the several Treaties. But where the material obstacles to any present improvement are so many and obvious, it seemed the less necessary to enter at large into the more occult influences, all tending in the same direction. No doubt, from the Chinese point of view, many strong reasons exist which would more or less justify their reluctance to be either led or driven into changes before the necessity is perfectly plain, or the country and the mass of the population are prepared for great innovations, and a departure from ancient customs. It has been truly said, a nation does not for a slight cause allow the deepest and oldest of its traditions to be set aside; and those among the more enlightened members of the ruling bodies who are in advance of the general culture of the nation, do not say to themselves that there are no innovations, or foreign inventions and institutions, which might be advantageously adopted, or modified for their own use. But they say, and feel, probably, that the sudden introduction would involve a revolution—in which they may not be far wrong, as regards railroads and telegraphic wires, for which there has been no adequate preparation on the part of the Government, and no preliminary conditions exist among the people. We may deride the "Fêng shui" and other superstitions; but these doubtless influence the masses in China, as they did European nations not so long ago, when it was dangerous for Governments, however strong, to disregard or act in opposition to them.

In a word, there are always two aspects to any great constitutional and fundamental change. What it effects immediately, may be partly computed; but what may be done by the new forces in motion, are by no means so easily or certainly calculated. It is doubtful whether any statesman or philosopher can so far anticipate the effect of any great change influencing the relative position of rulers and people, and moulding the destinies of a whole nation, as to form a definite conception of the new state of things to be evolved. This may seem a trite observation, and one which every period of transition and change in the life of a nation is apt to suggest; but it is none the less true and worthy of attention.

This reflection alone may suffice to temper with discretion all plans for the regeneration of China, and import a large measure of patience into the consideration of the best scheme that can be devised for giving and regulating the first impulse needed to set so vast a body in motion—on the road of progress and improvement, it is hoped; but of change, certainly.

After all is said against the Government of China, its institutions, and people—and foreigners are naturally led to dwell more on the defects from which they suffer, than the virtues which do not immediately affect them—it has answered the end of all Government in a very wonderful degree. It has bound together, under one ruler, nearly a third of the human race; and under its successive dynasties they have been trained to be a peace-loving, orderly, and industrious race. The Empire has, under such institutions, endured longer than any in the history of the world, and at this moment dwarfs all others by the extent of its population and the vastness of its territories; and if there be any touch of exaggeration in the dictum that "for the rulers of all other nations the Chinese Empire constitutes a great practical lession of four thousand years' standing," it is impossible to deny that they have attained a high state of civilization, and one peculiarly their own; for they possessed it in a great decree before Greece or Rome had made their mark in history. They have much to be proud of; much they may well be excused if they are loath so part with, at the sudden requisition of foreign Powers they have not yet learned to regard as other than barbarian and inferior; and such undoubtedly the foremost nations of Europe were, compared with them only some three or four centuries ago.

(Signed) RUTHERFORD ALCOCK

Peking, November 8, 1867.

No. 30.

Report of the North Shields Chamber of Commerce.—(Received January 29, 1868.)

THE North Shields and Tynemouth Chamber of Commerce submit to Her Majesty's Principal Secretary of State for Foreign Affairs the following Report of a Sub-Committee appointed to consider the proposed renewal of the Commercial Treaty between Her Majesty and the Emperor of China, which Report was adopted at a General Meeting of the Chamber held on the 16th instant, in the Town Hall, North Shields; the President, George O. Trevelyan, Esq., M.P., in the Chair:—

"The Sub-Committee appointed by the Chamber have had before them the copy of the proposed Commercial Treaty with China. They have given the subject their mature consideration and reflection, and have been assisted in their deliberations by other gentlemen of commercial experience. They, first, desire to remark that it would be

advantageous to the shipping interest that the number of Chinese ports open to trade should be increased, and that the heavy tonnage-dues now levied on ships at certain ports in China should be discontinued, and all the ports in that country placed on the same footing; that no more charges should be imposed on vessels than what are required for light-houses and other maritime purposes.

"Article X. As regards the number of British vessels admitted to trade at such ports as Hankow not exceeding three, the number ought to be increased.

"Article XXIV. Instead of British subjects not being called upon to pay other or higher duties than are required of the subjects of any other foreign nation, the Committee submit the words should be added, 'than are required of *their own* subjects,' &c.

Article XXVIII. It would be a convenience to describe the Tariff duties.

"Article XXIX. The exemption from the further payment of tonnage-dues when in port for four months ought to be extended to six months, or altogether abolished.

"Article XXXVII. In the caes of penalty for presenting a false manifest, the word 'intentionally' should be added, as captains might unknowingly present an incorrect manifest.

"Article XXXVIII. As regards the penalty captains incur for opening hatches of ships in Chinese ports without having obtained the Customs permit, it would be well in the clause to add, instead of 'shall be fined,' the word 'liable' after 'shall be,' if the Consul or Chinese authorities consider the circumstance should render a penalty imperative or otherwise.

"Article XLVIII. In the case of penalty upon a merchant-vessel being convicted of smuggling goods, your Committee submit that it would be only fair to her owner to add 'that the ship shall,' &c., 'unless it can be shown that the owner had no interest in such contraband trade.'

"Article LIV. This Article is one of great importance to the British shipowner, and the Committee would respectfully urge on Lord Stanley the necessity for insisting on full reciprocity, viz., to give to British vessels in the Chinese ports and waters the same privileges given to all foreign flags in British ports and waters.

"*Pulse and Bean-cake.*—The prohibitary clause as regards British ships carrying cargoes of pulse and bean-cake from Tong-chan, New-chwang, ought to be expunged as ships belonging to our ports frequently carry such cargoes without let or hindrance by the Chinese authorities.

"Your Sub-Committee being aware that various members of this Chamber are the owners of vessels trading in the Chinese waters consider that it is an additional reason to urge respectfully on the attention of Her Majesty's Government the suggestions made in this Report, and which, if adopted, will promote and protect the interests of British subjects trading in those distant seas."

Signed on behalf of the Committee,
G. O. TREVELYAN, *Chairman.*
EDWD. SHOTTON.
RALPH TURNBULL, *Secretary.*

No. 31.

Sir R. Alcock to Lord Stanley.—(*Received February* 2, 1868.)

My Lord, *Peking, November* 27, 1867.

I HAVE the honour to inclose a copy of the Memorial of the Hong Kong Chamber of Commerce which appears to have been forwarded to the Colonial Office and not to your Lordship.

Also copies of the Memorials of the mercantile communities of Foochow and Amoy, which, so far as I know have not been sent direct. Your Lordship will already be in possession of the views of the Shanghae Chamber of Commerce.

Having already submitted to your Lordship my views on the general subject, and the modifications or changes chiefly required by the merchants in the interest of trade, I find nothing in these Memorials requiring any special comment at the present moment. The complaints as to the non-execution of Treaties are for the most part well-founded, and much that the various mercantile communities ask for would be very desirable if attainable. But between the desirable and the practicable there is a great gulf at present, which must be bridged over by progressive steps towards the reconstruction and improvement of the

internal administration of the Empire before anything very practical or effective can be done in the direction pointed out.

I have, &c.
(Signed) RUTHERFORD ALCOCK.

Inclosure 1 in No. 31.

Memorial from the Hong Kong General Chamber of Commerce.

[See Inclosure 3 in No. 25.]

Inclosure 2 in No. 31.

Memorial from Mercantile Community at Foochow.

Foochow, September 14. 1867.

To his Excellency Sir Rutherford Alcock, K.C.B., Her Majesty's Plenipotentiary and Superintendent of Trade in China, &c., &c., &c.

Sir,

HAVING been appointed by the Foo-chow Community, at a meeting held at the requisition of Her Majesty's Consul at this port, to consider the alterations expedient to be adopted in the contemplated revision of the Treaty; and the following resolution having been passed at a subsequent meeting of the Community, held on the 9th of September:—

"That the suggestions of the Committee, as passed at this meeting, be embodied in a Memorial to Her Majesty's Minister at Peking, and forwarded through the British Consul at this port."

We beg respectfully, in the name of the Foo-chow Community, to lay the following Memorial before your Excellency, and trust that it will receive your favourable consideration.

Article XXVIII Transit duties on goods to be adjusted.

By far the most important grievance, under the Treaty of Tien-tsin, has been the systematic breach of the XXVIIIth Article of the Treaty, regarding the leking duties. This evasion we believe to have been practised at all the Treaty ports; but in the province of Fuhkien, the illegal exactions which have been added to the already too oppressive legal impost, have far exceeded the demands made in other parts of the Empire. And severely as these exactions have been felt in Amoy, they have been even more oppressive in Foo-chow.

A short time ago the import trade came to a complete stand-still on account of the exorbitance of these imposts; and finding that the taxes were, in consequence, becoming unproductive, the authorities found themselves compelled to reduce them about 20 per cent.

The trade in manufactures is almost confined to the immediate neighbourhood of the city; the increased taxation, as the goods go inland, rendering it unprofitable to take them further up country. And, indeed, goods from Kew-kiang and Ningpo compete favourably in the upper part of this province, with those taken up from Foo-chow.

Opium, not being subject to Treaty regulation after it is once sold by the foreigner, is of course exposed unchecked to the caprices of the local authorities; and as an illustration of the oppressiveness of taxation imposed under such circumstances, and its great excess in this province as compared with others, we may mention a case that has come to our knowledge, of opium sold at Shau-wu-foo, which from Foo-chow paid 130 taels; while opium brought from Swatow paid only 30 taels per chest.

The clause of the Treaty providing transit passes on goods to the interior is quite inoperative on all goods (with the exception of lead), the Chinese stating, that if provided with a transit pass, they are mulcted quite as much as if they were without one.

Lead, however, is always taken up to the place of consumption under a Treaty pass; as it is used for the making of tea chests; and by a class of men who, through their connection with foreigners, are usually able to obtain tardy redress for attempted illegalities.

Tea has also benefited by the Treaty regulations, although the transit passes are but little used. But when issued to foreigners, if any illegal exactions were attempted, the prompt and energetic interference of the Consul and the foreign Custom-house authorities,

invariably obtained redress, although after many evasions and delays. This has imposed a salutary check on any attempt to increase the tax on native owned produce.

Suggestion.

We would suggest the following alterations in the Treaty; and we think that anything short of these suggestions, will fail to grapple effectually with the crying evils that are involved in the present system:—

1. That the leking duty on all goods, whether native or foreign, should be equalized at all the ports, at the rate of half the import or export duty on such goods.

2. That while the local authorities collect these duties themselves, there shall be an appeal to the Consul and the Commissioner of Customs, for any irregularity committed in such collection.

Limit of the port.

In connection with the leking, it would be highly important that the limits of the port should be defined. This would appear to be a local question; but as it has, for the last nine years, been a great grievance in this place, we think it assumes an importance requiring the interference of the higher authorities. It is not the limit of the port as regards shipping, or the importing and exporting of goods, for the settling of which there is provision made through the foreign Custom-house authorities. But what is the limit of the port where the leking or inland taxation commences?

Surely it seems unreasonable that the inland tax should be levied on goods consumed in Foo-chow itself, yet such is the case.

Suggestion.

We would suggest that no leking be levied on goods consumed at the place of import, which in Foo-chow would be in the two district magistracies, between which the city is divided.

Article XXVI. British Tariff of 1842 to be revised at Shanghae.

The principle upon which the Tariff duties were calculated in the Treaty of 1842, was that they should approximate as nearly as possible to an *ad valorem* duty of 5 per cent.; and this principle was confirmed in the Treaty of Tien-tsin, and the Tariff, in general, was modified accordingly. But in the two principal articles of export, the burden weighs most heavily on our staple. While silk now pays a duty of about 2½ per cent., and even when prices were low, never paid 5 per cent., tea is charged with a duty of 2 taels 5 mace, being about 10 per cent. on the average cost; and now that the trade has so largely increased, the Chinese Government can well afford to reduce the duty.

Suggestion.

We trust, therefore, that in the revision of the Treaty, the boon of a reduction in the duty, so clearly in keeping with the intention of the Treaty, will be accorded to us.

Article XXXII. Facilities to assist in entering port.

This Article, as regards the port of Foo-chow, has so far proved entirely inoperative. Through the exertions and influence of the enlightened Commissioner of the Foreign Customs, we understand that money has been at last granted, and that a lighthouse, &c., will be erected as speedily as possible; but as we have been nine years without anything being done, and as much still remains to be done, throughout the length and breadth of the Coast of China, we do not think we are out of place in calling attention to the neglect of this important point, or in urging its stringent enforcement.

There is one point connected with this subject, of a purely local character, but which is very suggestive of a means of inducing more activity in such matters by the authorities.

Suggestion.

The River Min, at and above the anchorage, is filling up in a manner to form a most serious inconvenience to the navigation, and urgently calls for scientific measures being promptly taken. We would suggest, that if the talent of foreign engineers were available to advise the native authorities, a certain weight and influence would necessarily be accorded to their opinions; and some pressure could be put upon the authorities to carry out their suggestions.

Article IX. Travel into the interior with passports.
Article X. The Yang-tsze River to be open to British trade.
Article XLVII. British vessels to trade only at open ports.

Hitherto the IXth Article has been interpreted with great stringency. *Indeed* so much so that, practically, the allowance to travel, for purposes of business, has been a dead letter. At the time of the conclusion of the last Treaty, when the Empire was so shaken by intestine disorder, it was, doubtless, imperative to repress with a firm hand the illicit trading then so prevalent, and for this purpose a very rigid interpretation of these clauses was perhaps necessary; but a very different state of matters now obtains, and we are sure your Excellency will not suppose us desirous of re-introducing anything like the old system. But we think the time has come for a more liberal policy.

Article IX. Suggestions.

We would suggest that foreigners should now be permitted to travel for business purposes, and should have liberty to rent houses and ground in the interior (without which the former right would be useless), and that assistance should be accorded to them, instead of impediments thrown in their way; while the British Consul would always have the power of withholding a passport, if he were not satisfied with the propriety of granting it, in the particular case.

Article X. Suggestions.

This Article does not affect Foo-chow; but we may suggest that steamers on the Yang-tsze might now be permitted to carry passengers and goods, for all places on the river, as far as Hankow.

Article XLVII.

This is a difficult Article to deal with, no doubt; but as we are convinced that it is

only by some well considered plan, capable of general application, that any great advance can be attained in further opening up this great Empire to foreign trade and civilization, we venture to make the following suggestion:—

That vessels should be allowed to trade wherever they please along the coast, under Custom-house permission and regulations, as has been allowed occasionally in Formosa. The vessel declaring her intended voyage at the Treaty port from which she starts, and giving a full report of her cargo before starting, and also on her return to the same, or the next other Treaty port at which she calls. Suggestion.

We would most strongly deprecate the opening of one or two more Treaty ports, with settlements and concessions, as entailing considerable expense on the Governments of both China and Great Britain, without any commensurate advantages; and unless the suggestion above, or some similar plan of opening up the coast generally, without entailing the necessity of expensive establishments, can be adopted, we would much prefer that matters should remain as they are, for another period of ten years.

We think an additional Article should be inserted in the Treaty, allowing the importation (free of duty) of all goods landed in the Docks in China, for the repair of vessels. Suggestion regarding goods for use in docks.

We think, also, that the coast duties, both native and foreign, between two Chinese ports should be abolished altogether; and as the Chinese Government are now in receipt of a large revenue, they may perhaps be induced to give way on this point, which is so clearly for the benefit of their country. Suggestion regarding coast duties.

In consideration of the great demand for coal for mercantile purposes, with the prospect of an equal, if not a greater number of steamers running upon the coast and rivers of this country, we are of opinion that every inducement ought to be held out to foreigners, to bore for coal or any other mineral, under the direct sanction of their nearest Consular authorities. Suggestion, working mines by foreigners.

The popular dread of the "Fung-Shui" which has hitherto interfered with such improvements, could, we think, be overcome, if the high authorities, who should now be too enlightened to be carried away by such unreasoning prejudices, would exert their great influence in persuading the people of the futility of their objections: and if the Government once perceived the amount of revenue that might be derived from the proposed charge, and if the people are convinced of the advantages to be derived by them from the enormous increase in the demand for their labour, we think we should hear no more objections on this score.

The saving between the English and Chinese systems of obtaining coal, would, we are convinced, make all the difference to many Steam Companies, of paying a good dividend and sinking money.

The claim of a foreign community upon the Chinese Government, to construct roads for its pleasure, and healthful recreation, may by many persons be looked upon as a secondary consideration; but in the altered state of trade, and the prospect of a large number of foreigners spending years in the country, it becomes an important question, whether the local authorities could not, at a trifling expense to themselves (but what would be a ruinous outlay to foreigners, owing to the "squeezes" of land-owners) construct good roads for riding and driving across the island. Suggestion. Making of roads.

We think the large income derived through the residence of foreign firms at this port, does away with any excuse the Chinese may make, as to want of means. If spread over two or three years, the cost would amount to but a small fraction of the Government's receipts.

In mentioning this subject, we are not without precedents for similar liberal acts; as the Shanghae authorities made good roads round the Settlement (partly, no doubt, to suit their own purposes), and the Governor of Yokohama also made splendid drives, extending for miles, almost expressly for the benefit of foreign residents.

We think that vessels should be allowed to enter and clear, if in ballast, without paying tonnage dues. Suggestion. Vessels in ballast to be allowed to clear without paying tonnage dues.

We have, &c.

(Signed) A. W. G. RUSDEN.
C. A. WILD.
THOS. SMITH.
H. G. PEMBERTON.

Inclosure 3 in No. 31.

Memorial from Missionaries at Foo-chow.

Foo-chow-foo, August 13, 1867

To his Excellency Sir R. Alcock, K.C.B., &c., &c., &c.

Sir,

WE, the Undersigned Protestant missionaries of Great Britain resident at Foo-chow-foo, understand that it is proposed at an early date to make a partial revision of the existing Treaties between China and the United Kingdom of Great Britain. In view of this we beg respectfully to present to your Excellency the following suggestions wit reference to a subject in which we, and the Christian churches we represent, are mos deeply interested.

A clause in the VIth Article of the Convention between France and China, signed a Peking, October 28, 1860, states, "It is in addition permitted to French missionaries t rent and purchase land in all the provinces, and to erect buildings thereon at pleasure. This provision of the French Convention, as your Excellency is aware, is not contained i the Treaties between Great Britain and China. It is our opinion, nevertheless, that b the operation of Article LIV of our Treaty, commonly known as the "favoured-natio clause," the privileges thus granted to French missionaries are equally accorded to Englis missionaries. But it appears to us of the utmost importance that the matter should nc remain in this merely inferential or constructive position, because hitherto the Chines authorities have frequently denied or called in question the validity of the claim to thes rights by British missionaries. A definite assertion in our Treaty on this point woul obviate all further dispute on the subject with the Chinese officials, and bring before the directly and authoritatively these privileges which as British subjects we think we have right to claim.

We therefore earnestly pray your Excellency to adopt such measures as may commen themselves to your judgment to obtain in the proposed revision of the Treaty betwee Great Britain and China a definite recognition of the right of British missionaries to preac and propagate the doctrines of Christianity "throughout the length and breadth of th Chinese Empire, and to rent and purchase land in all the provinces, and to erect building thereon at pleasure."

With every sentiment of respect, we have, &c.

(Signed) JOHN R. WOLFE,
ARTHUR W. CRIBB,
Church Missionaries, Foo-chow-foo.

Inclosure 4 in No. 31.

Consul Swinhoe to Sir R. Alcock.

Sir, *Amoy, October* 30, 1867.

ON receipt of your Excellency's Circular of the 28th May last, I called on the British community at Amoy for their opinions and suggestions in view of the revision of the Treaty. These I have at last received embodied in a letter addressed to myself, which is signed by all the leading mercantile people of the port. I have the honour to inclose copy of this letter, as also copy of the Memorial presented to your Excellency personally, which the Memorialists now hand to me. The Tables of leking taxes collected on imports and exports at this port attached to the original Memorial will be found in substance in my Trade Report forwarded in despatch of 20th April, 1867.

Your, &c.

(Signed) ROBERT SWINHOE.

Inclosure 5 in No. 31.

Memorial from the Mercantile Community of Amoy.

To his Excellency Sir Rutherford Alcock, K.C.B., D.C.L., &c., Her Britannic Majesty's Envoy Extraordinary, Minister Plenipotentiary, and Chief Superintendent of British Trade in China.

The Memorial of the Undersigned British merchants trading at the port of Amoy—

Humbly showeth,—

THAT your Memorialists are all directly and to a considerable extent interested in the trade of Amoy.

That for some time back British trade here has been in a great measure paralyzed by various causes, the most important of which are certain arbitrary exactions levied by the Mandarins upon all articles of commerce, and commonly called leking taxes. These were first imposed in 1860, ostensibly for the purpose of contributing towards the expense of putting down the Nanking rebellion, and in 1865 they were enormously increased to meet the expenses connected with the Tae-ping occupation of Chang-chow. Both these objects have been successfully accomplished, but the taxes are collected as rigorously as ever.

That in the opinion of your Memorialists these taxes are in direct contravention of the spirit of the Treaty of Tien-tsin, and more particularly of Article XXVIII, Rule 7, and they are confirmed in their opinion by the consideration that were it not so it would be in the power of any Mandarin to put an end to trade by the imposition of prohibitory taxes levied not on the importer but on the consumer.

That remonstrances have been addressed by your Memorialists to Her Britannic Majesty's Consul here for the time being on the following dates, 5th January, 1860, 4th and 16th May, 1865, without obtaining the smallest redress.

That your Memorialists have endeavoured to send their goods into the interior for sale under the stipulations of the Treaty, but the determined opposition of the Mandarins has prevented their doing so, and their goods have, therefore, been compelled to pay taxes according to the accompanying list, instead of the $2\frac{1}{2}$ per cent. *ad valorem* authorized by Treaty.

It will be seen from this list that trade cannot possibly exist with such heavy burthens upon it.

That the districts which have been heretofore supplied with goods from this are now, in consequence of these taxes, being supplied from Swatow and other places where none such exist, consequently the trade of Amoy is almost paralyzed, and your Memorialists are decidedly of opinion that it will soon flow permanently into other than the legitimate channels to the great detriment of all vested interests here if prompt redress is not obtained.

That your Memorialists have, therefore, two great and most reasonable causes of complaint—first, in the taxes being levied at all; and, second, in their being only levied in the province of Fokien. They have shown that remonstrances have been duly made to Her Majesty's Consul without effect, and they have now no alternative short of appealing to Her Majesty's Minister in England, than to bring the matter before your Excellency. They therefore trust that, looking at the magnitude and urgency of the case, and the heavy losses which they have already suffered through the operation of the obnoxious taxes, your Excellency will at once take the matter into favourable consideration, and do what seems best calculated to bring about a speedy and satisfactory redress of our grievances.

Your Memorialists would also draw your Excellency's attention to the embargo which has been put upon the Formosa rice trade for about two years back, and through which a valuable branch of business is lost to the port. The embargo was originally laid on because a partial failure of the crops in Formosa had taken place, and originally it extended to native as well as foreign vessels. For some months back the export in junks has been allowed, bnt it is still strictly prohibited in foreign vessels; and as rice is now cheaper both here and in Formosa than it has been for years back, there can be no good reasons why the trade should not be allowed.

Your Excellency will no doubt see in this, as well as other matters, how utterly the Treaty rights of British merchants are ignored by the native authorities, and how urgently some measure is required in the approaching revision of the Treaty which shall for the future prevent any sudden and arbitrary disruption of legitimate trade.

Your Memorialists would respectfully beg that your Excellency will in this Act, as well as in the matter of illegal taxes, do whatever lies in your power to obtain redress.

We have, &c.

(Signed) ELLIS AND Co.
BOYD AND Co.
TAIT AND Co.

Inclosure 6 in No. 31.

Letter from British Merchants at Amoy to Consul Swinhoe.

Sir, *Amoy, October* 18, 1867.

RESPONDING to the invitation given through you by Her Majesty's Minister Plenipotentiary at Peking to state our opinion upon any matters connected with British interests in China, with the view that they may be considered in the coming revision of the Treaty of Tien-tsin, we now beg leave to wait upon you with the few following remarks:—

We find that the general business of this port has considerably diminished during the last few years, and we attribute this in a very great measure to—

Leking Taxes.—It is impossible for us to express ourselves too strongly on the subject of these illegal exactions. We have protested against them on various occasions, and, as you are aware, we presented a Memorial on the subject to Her Majesty's Minister when he paid a visit to this place. On that occasion his Excellency frankly informed us that the taxes were, in his opinion, illegal and contrary to the spirit of the Treaty, and that he was prepared to do all in his power to abolish them. Since then three months have elapsed, but the taxes are still being collected.

We inclose copy of the above Memorial, the tenor of which we beg to confirm in every respect.

We are prepared to prove that these taxes range from $4\frac{3}{4}$ per cent. to 90 per cent., and that under this heavy incubus our trade has materially diminished. It would certainly be preposterous to expect anything else, particularly when our goods can be undersold in our own legitimate consuming districts, by importation overland from neighbouring provinces where no such illegal taxes exist. We give it as our matured and decided opinion that unless prompt and efficient redress be obtained, many lucrative branches of our trade will be lost to us entirely. Before leaving this subject, we would beg to protest against the wanton disregard of our Treaty rights. Under these we have invested considerable sums of money in real property, which will be to a certain extent useless if the present state of matters is to obtain. Her Majesty's Minister having endorsed our opinion that the taxes are illegal, we do not see why there should be so much delay, or any difficulty in obtaining speedy redress.

Custom-house.—We think that some part of the diminution of trade is due to Custom-house restrictions, and we would be glad to see a more liberal spirit obtain in the general administration of their affairs. At present they claim the right under Clause XXXVII of levying a fine of 500 taels in case of false or incorrect manifest. The amount is inordinately heavy, especially in the latter case, and we think the entire clause calls for revision; also that where there is no evidence of intent to defraud the revenue, the Custom-house should have no power to call for a fine, and that in any case British merchants should not be fined unless with the consent of the British Consul.

We find that the tendency of Custom-house action, and the loose manner in which the Treaty of Tien-tsin is worded and carried out, is to take away much of the general trade from Treaty ports and throw it into Hong Kong. Amoy, for centuries previous to the Custom-house being opened, was the head-quarters in the south of China for the trade with Siam, the Straits, and Java, but latterly very much of this trade has gone to Hong Kong. The trade also in Malacca tin, which in former years was a large and valuable one, has dwindled into insignificance. It is an undoubted fact that large quantities of this article are imported into Chinchou (which naturally in previous years got all its supplies from Amoy) by native lorchas from Hong Kong, and the Imperial revenue, as well as mercantile interests, has suffered accordingly.

We think that foreign goods and opium imported in native junks ought to pay the same duties as they do in foreign bottoms, and to effect this, these importations ought to be reported to the Imperial Custom-house.

We also think that the Custom-house may be said to encourage, tacitly, the continuance of smuggling at the non-Treaty ports, so long as they have not a sufficient

preventive service on the coast. There is no doubt that smuggling by natives does take place on the coast to a large extent, and that they are encouraged in it by the absence of revenue cruisers, and by the high Tariff dues and illegal taxes which obtain at Treaty ports.

We do not think that the Custom-house does its duty, either to the Chinese Government or the mercantile interests, so long as an efficient preventive service does not exist. We think that there ought to be at least one steam revenue cruiser for each Treaty port, with jurisdiction over all the neighbouring bays and creeks; and, as more than a suspicion of smuggling has already attached to the so-called revenue cruisers which are established on the coast, we think measures ought to be taken to prevent the possibility of smuggling by those vessels.

We now proceed to mention those points on which some modification of the present Treaty, and addditional privileges in the revised one, are required in the interests of commerce.

Transit Dues.—An imperative necessity exists for some stringent regulations being made in respect of these, and to insure that no other tax can by any possibility be levied. We think that none other than the Tariff duty ought to be leviable within a radius of, say, six miles from the Custom-house of any Treaty port, and that the due payment of transit dues, as per section 3, Rule 7, ought to free the goods as far up country as the importer may desire. We also think that, as a safe-guard, it ought to be made competent for any British Consul, when it is proved that any additional tax has been inflicted, to order the amount to be deducted from the next payment to the Custom-house.

Duties on Exports.

Tea.—The quality of a large proportion of the tea produced in the surrounding district is very inferior to any other class of Chinese tea, and, consequently, the duty of 2 taels 5 mace weighs much more heavily here than in any other port in China. This duty was calculated to be 5 per cent. on the average value, whereas in common Ankoi teas it is not less than 35 per cent. In Japan, a very similar class of tea is obtained; the export duty is there only 5 per cent. It is shipped to the same market, as we ship the common teas of this district, and under the present heavy duty we cannot compete with it. We would suggest that the duty should be levied at 5 per cent. *ad valorem,* the proof of value being the price at which it is purchased.

Rice Wheat, and all other articles food, should be free of duty entirely, and their movement amongst the coast ports unrestricted in any way. The present system, while adding very little to the revenue, is fraught with several evils; it tends to take away the trade from Treaty ports and throw it into Hong Kong; it enhances the price to consumers, and in times of scarcity supplies cannot be readily sent from neighbouring ports, because on account of the export duty it is now a rare occurrence to see rice, other than what is wanted for local consumption stored in a Treaty port.

Salt.—The carriage of salt in foreign vessels betwixt coast ports ought to be allowed under bond, in the same way as copper cash. A good many vessels have obtained cargoes of salt on mandarin account on the Formosa coast. We do not see why the Government monopoly could not be as effectually protected when the salt is shipped in foreign bottoms as it is now in native junks. In former years salt was frequently exported to the straits and Calcutta. The article can be furnished in almost any quantity from Quernoy, and it certainly would be very beneficial to that place, and also give some employment to foreign vessels were the prohibitions removed. We would suggest that the export to foreign ports be also permitted.

Duties on Imports.

Manchester Goods.—We would suggest a reduction of one-half of the present duty on these goods, and we believe that were such concessions made the importation would be stimulated in no ordinary degree.

Woollens.—At the present Tariff our goods cannot compete upon favourable terms with Russian made goods brought in overland. We would for this reason suggest a reduction af one-half.

Dock Material.—The duty upon wood, copper, yellow metal, and all such articles, is very high indeed. We cannot see any good reason why these, or any other articles brought in solely for foreign consumption or to be re-exported, should pay any duty whatever, and we would suggest, either that they should be entirely free or that a drawback should be given on all articles which can be proved to have been re-exported. The dock here was not started as merely a commercial speculation, and it has since been of great

benefit in providing employment in this over-populated and poor district. We can only say that under the present circumstances it is impossible that the dock can prosper or compete with the Hong Kong docks; and that if foreign enterprise is to be summarily checked and every industrial undertaking is only to be regarded as an additional means of collecting a larger revenue, the evil of the last few years will be perpetuated.

Coal imported from foreign countries for the use of foreign war and merchant steamers ought to be free of duty. The duty on native coal is excessive, and prevents its competing with Japanese or other foreign coal. The difference in the duty betwixt foreign and native coal is so striking that it appears to us to be an oversight. The foreign is 5 candarines per ton, and the native 6 mace 6 candarines 8 cash per ton, or, say, 13 times greater than the other.

Guano and all manures, we think, ought to be allowed to come in free of duty.

Spelter, Saltpetre, and Sulphur.—The importation of these articles is allowed by Section 3, Rule 5, for sale to Chinese duly authorized to purchase them. So far as we know up to date, no Chinese have been duly authorized to deal in these articles here, and the consequence is that the trade in them has gone to Hong Kong. This ought to be rectified.

Coast Trade Duties.

We think the half duties now levied should be abolished, and that the payment of duty at one Treaty port should free the goods at all others. These duties are not provided for by any Treaty stipulation, and we can see no good reason why the coast trade should be taxed more heavily than any other trade.

Tonnage Dues.

These are very heavy. On looking over the Customs Returns we find that 86,654 Haikuan taels (equal to 171,290 dollars) have been collected from 31st March, 1862, up to 31st December, 1866, while we should say that not more than 2,000 dollars to 3,000 dollars have been expended on improving the harbour. This is not as it should be, and we would suggest that a certain proportion, say one-half, of the tonnage dues, less the expense of collection, be set aside for the requirements of the port where it is collected. There is great need of an efficient water police, and the public bunds and wharves are both inefficient and in bad repair; there are one or two dangerous rocks in the harbour which it would be quite possible to remove; and lastly, a good light-house on Chapel Island is a great desideratum, not only for Amoy but also for the whole coasting trade.

We think that steamers or vessels plying to Manila ought to come under the four months' clause in the same manner as those running between Shanghae and Japan. At present they have to pay each trip, and the tax is very heavy.

We also think that vessels entering and clearing in ballast ought to be free, and that the compulsory sale of damaged cargo landed from a vessel in distress ought not to subject her to tonnage-dues.

Pilotage.

Amoy has a great natural advantage in being so easy of access; and we would deprecate any arbitrary rules being foisted upon us in the matter of pilots and pilotage.

Wancheu.

We are strongly of opinion that Wancheu might advantageously be made a Treaty port. Previous to the opening of the Custom-house a considerable general business was done there, which undoubtedly could be renewed and increased. It is situated too far from Ningpo on the one hand, and Foo-chow on the other, to be likely to take away any of the legitimate business of these ports. At present, we believe, a very considerable portion of the trade is done in native-owned lorchas through Hong Kong, from which the Imperial revenue profits nothing. Were the port opened, we feel certain that a large additional revenue would flow into the Custom-house coffers.

Subsidiary Ports.

We advocate the opening of all the principal ports on the coast, not as regular Treaty ports, but as subsidiary to these, and under such regulations as would insure a large income of Imperial revenue, while at the same time they would prevent detriments to vested interests at Treaty ports. To effect this, and do away with the necessity of having

expensive Consular, Custom-house, and mercantile establishments at these subsidiary ports, we would propose that it be imperative that all vessels going to any of these ports must go from the nearest Treaty port, where they would deposit their papers, give bond, take out a special permit, and afterwards return to the same Treaty port to clear out in the usual manner. We think that, without some salutary regulations such as we have pointed out, the trade would speedily degenerate into a smuggling one.

Mandarin Salaries.

We would take this opportunity of pointing out that so long as Mandarins at Treaty ports are insufficiently paid by their Government, so long will they endeavour to exact illegal squeezes from our commerce. It is quite out of our province to offer suggestions bearing upon the internal economy of China, but there is little doubt that this matter deserves some serious consideration at the hands of those who are entrusted with the revision of our Treaty.

In conclusion, we beg to repeat that through the leking taxes and the Custom-house restrictions we have partially lost several valuable branches of the legitimate trade of the port, which it has enjoyed for a very long time. It is, of course, manifestly unjust that our trade should be diverted in this manner from its natural channels; and we hope and trust that the impediments which have caused this disruption will soon be finally removed, and measures taken to prevent the possibility of their recurrence in the future.

We shall feel obliged by your forwarding a copy of this letter to Her Majesty's Minister at your convenience; and should you require any further information upon the points on which we have commented, or upon any others, we shall be most happy to supply you with the same as far as lies in our power.

We have, &c.

(Signed) ELLES AND Co.
BOYD AND Co.
TAIT AND Co.
Pro John Forster and Co.,
E. M. SMITH.
H. D. BROWN AND Co.
J. CASS, *Secretary of Amoy Dock Company.*

No. 32.

Sir F. Rogers to Mr. Hammond.—(Received February 6.)

Sir, *Downing Street, February 4*, 1868.

IN continuation of previous correspondence on the same subject, I am directed by the Duke of Buckingham and Chandos to transmit to you, for the consideration of the Secretary of State for Foreign Affairs, a copy of a despatch from the Governor of Hong Kong, with a printed copy of a letter addressed to him by Messrs. Jardine, Matheson, and Co., containing suggestions as to the revision of the Treaty of Tien-tsin.

I am, &c.

(Signed) FREDERIC ROGERS.

Inclosure 1 in No. 32.

Governor Sir R. MacDonnell to the Duke of Buckingham.

My Lord Duke, *Government House, Hong Kong, November 30*, 1867.

I HAVE the honour to transmit, for your Grace's information, printed copy of a letter addressed to me, and received yesterday, from Messrs. Jardine, Matheson, and Co., the principal commercial firm in China.

2. This communication is intended to bring before Her Majesty's Government the opinions matured by extensive experience, and the best opportunities, of that eminent firm on the general results of the Treaty of Tien-tsin, and the portions of that Treaty which require in their opinion either alteration or modification, as well as in some cases those which require neither the one nor the other, but simply that the right to enforce them be carried out.

3. I cannot but feel that the suggestions of a firm so eminent and so respected for its liberal conduct of the great business which it directs, will receive at your Grace's hands every consideration due to the temperate and able manner in which their views are stated. I do not here comment on the details into which their communication enters, because I have recently expressed my own views on the particular points, which I regard as directly and immediately affecting my own sphere of action in connection with this Colony. I perceive, however, that the inclosed Memorial notices a grievance relating to this Colony, viz., the Customs prohibition of transhipment of goods arriving here in transit from one Treaty port to another.

4. I should be extremely sorry to press for any privilege likely to affect injuriously the legitimate Customs revenue of China, but it is quite evident that the non-allowance of the transhipment in question must frequently lead to extreme inconvenience, and it is not to be supposed that this Government, acting in concert with the Chinese authorities, is necessarily unable to devise some simple method of preventing that inconvenience without opening a door to any possible loss on the part of the Chinese Customs. I, therefore, hope that in the interests of this Colony the point of question will in due season receive attention.

5. As an opportunity offers of forwarding to-morrow morning copies of the inclosed to Her Majesty's Minister at Peking, I intend to avail myself of it, so that his Excellency may have an opportunity of early transmitting his own views on the points adverted to by Messrs. Jardine, Matheson, and Co.

I have, &c.
(Signed) RICHARD GRAVES MAC DONNELL.

Inclosure 2 in No. 32.

Memorial from Messrs. Jardine, Matheson, and Co.

To his Excellency Sir Richard Graves Mac Donnell, C.B., Governor of Hong Kong, &c., &c., &c.

May it please your Excellency,

THE chief seat of the business which our firm carries on in China being, and since the first erection of the Colony having been, located in Hong Kong, we respectfully solicit your Excellency's good offices to assist us in bringing before Her Majesty's Government this exposition of our views as to the forthcoming revision of the Treaty of Tien-tsin.

2. We find our first duty in entering upon this most important subject, to be predication that the Treaty of Tien-tsin has proved itself an instrument which does great honour to those who originally framed it. Its results show it to have sprung from a sagacious and statesmanlike prevision of the necessities of commerce; and, aside from the discussion of mere details, the fact is borne home to us that in addressing your Excellency, as we have the honour to do now, our care should be to advocate extension of the views indicated by the Treaty itself, together with liberality, advertence, and consideration towards foreign interests on the part of the functionaries entrusted with its conduct and administration, rather than to suggest any radical alterations in its terms or policy. We shall, in the course of this communication, find it necessary to animadvert upon the arbitrary manner in which certain privileges—notably, that of residence in the interior of China—conferred by Treaty upon British subjects, are construed and withheld by the Queen's Ministers and Representatives; we shall feel ourselves, in the interests of trade and commerce, urgently called upon to recommend certain alterations in practice which our experience leads us to believe are imperitively required; but our main object throughout will be to impress upon Her Majesty's Government our conviction that, during the forthcoming revision of the Treaty, their efforts should be directed more to the general development of that instrument's original intentions, than to the further acquisition from the Chinese of minor exemptions and immunities, which would neither advance British national interests, nor be gracefully conceded by the Emperor's advisers. We hold firmly that a defective Treaty, rigidly insisted on, is of greater value than one in which no flaw is to be detected, but whose beneficial enactments are nevertheless set aside or ignored, either of design or of neglect. In the one case disappointment is never entailed upon those who may adventure their means upon the faith of the document's provisions; but, in the other, hopes are constantly excited only to be defeated, and ruin may speedily accrue from too implicit a reliance upon stipulations unfulfilled. Under the latter category should the Treaty of Tien-tsin, we believe, be classed. Its conception displayed masterly skill, and it has already bestowed great benefits upon commerce; yet these benefits are but as shadows

when compared with those which might have been reaped from it, had the rights which it confers been insisted upon in their integrity. We know well the honourable and prudential motives which have actuated Her Majesty's Government in this matter, and we acknowledge the dignified patience which they have displayed towards China under the trying ordeal upon which she entered in 1860; but forbearance is now costing England more than it brings in, and we anxiously trust that the opportunity afforded by the approaching revision will be used as much to impress upon the Chinese that in the future Treaty rights and obligations shall be sternly exacted from them, as to obtain from them additional advantages and privileges.

3. Having premised thus much as to the general scope of our views upon this subject, we should state that our suggestions as to the points to be most prominently borne in mind by British diplomatists at the coming Conference, range themselves under four heads; namely, the right of residence up-country, inclusive both of the privilege of navigating, from the ports of entry already established, the inland waters of China by means of foreign built craft of a certain small size, and of the suppression of all extra-covenanted taxes and exactions; the better, more equitable, and certain administration of justice between foreigners and Chinese; the rightful application and the possible reduction of tonnage dues; together with the revision of the Tariff, inclusive of the addition of the commodity, salt, to its list of imports, of the recision of that "rule of trade" which renders Articles IX and XXVIII of the Treaty inapplicable to opium, and of extension of the time allowed for claiming drawback of duty upon goods re-exported.

4. To commence with the first, and, perhaps, the most important, of all these *desiderata*—that is to say, the right of residence in the interior of China, with its corollaries as above set forth. It is not, we humbly conceive, to be denied, that by Article XII of the Treaty of Tien-tsin, the right of residence at "other places" than the ports was conceded to British subjects by China, contrary interpretion hitherto on the part of our own Government notwithstanding. We attach the highest importance to this right, which has, nevertheless, been ever since its concession studiously denied to us. We see in this right the only means whereby England can achieve the reward deserved by the sacrifices which she has made in this Empire; the sole method by which Western civilization can be extended; the single channel through which is to be attained that abundant trade upon the confines of which we hover, and which would prove so greatly fraught with benefit to our manufacturing masses, as well as redound so much to the advantage of the inland population of China. We ask, therefore, that our right of residence up-country be no longer withheld from us, but that British subjects be permitted to settle in the interior, to hire, own, and erect suitable dwellings and places of business, and to navigate the inland waters of China, from the ports already opened, by means of foreign built craft, to be registered or licensed, or obliged to carry sailing letters, and not to exceed a certain size, whether propelled by steam or otherwise. The first benefit, and one of the utmost importance, which would result from such enlightened and liberal policy, if pursued, would be the abolition at one fell blow of the illegal, because renounced by Treaty, imposts and exactions persistently laid from place to place by local authority upon all foreign manufactures and upon produce destined for foreign use. It is not necessary that we should furnish here details of the nature of these imposts and exactions; the fact of their existence and the shapes they take are as well known to Her Majesty's Government as to ourselves, and their amount in the aggregate far exceeds that of the legitimate import and export duties; they are deadly foes of the English artizan, for they make teas and silks dear, as well as impede the distribution, amongst millions of buyers, of the various productions of his handicraft. If the policy which we are now advocating be adopted, we picture in the future many small foreign trading posts throughout the various provinces, whither foreign merchandize, in original packages as imported, could be conveyed cheaply, safely, expeditiously, and then be parcelled out among the native dealers and shopkeepers. Foreigners should not on any account be allowed to open shops, or sell by retail; as the sole end immediately aimed at is the transmission, inexpensive, speedy, and untaxed, save as may be lawful, of foreign goods to the native consumer, and of produce to the shipping ports. Upon similar grounds likewise should foreign-owned craft be strictly prohibited and restrained from sharing in, or interfering with, the purely native inland traffic. The evidence of the past justifies us in affirming that but a few years' duration of such a system would bring about a most noble and gratifying increase of our trade with this Empire, and opens large fields for the exercise of British intelligence and the sound employment of British capital. We need not dwell upon the advantage to be also derived from more intimate acquaintance with China and her productions; these are self-apparent; but we must not omit to point out that any extensive resort to the right of residence would render requisite a greater or lesser knowledge of the Chinese written and

colloquial languages. The extent of this knowledge would not, probably, be individually great, though it would be of daily increase, but the benefit, which it is fair to estimate would accrue from it to civilization and to commerce, might in time acquire such stupendous proportions as merely to contemplate is to desire to set on foot.

5. The foregoing is the bright side of the question of the right of inland residence; on the other hand must be viewed weighty considerations of not so pleasant a character. Points of collision would be multiplied; official expenditure would naturally be increased; and we shall not be surprised to find that both Governments shrink from a policy apparently charged with much explosive material. But nothing venture, nothing have; England's national aim is the extension of her influence and trade by every fair and honourable means; therefore let not her Representatives shun difficulties which can be overcome, to the avoidance of acquisitions which must be great, and which may prove momentous. We shall be well satisfied if Her Majesty's Government approach this delicate question in no more than a tentative spirit, so long as they do so with firmness and honesty of purpose. We would counsel their immediate obtainment of the largest measure of privilege, but their retention in their own hands of the extent to which from time to time such privilege should be accorded to the Queen's subjects. Let the area of residence be no more than periodically enlarged. Let good conduct on the part of all engaged in this inland traffic be secured by strict and onerous bond, to be set in motion, if necessary, upon mere suspicion of misbehaviour, and there will, we believe, remain little room for apprehension that either the honour of the British flag will be tarnished, or the dignity of the Chinese one be insulted. In further support of which opinion, we would point to the changes which have taken place in the foreign communities of China during the past few years. The privileges conceded by Treaty, the enforcement of which we now advocate, were at the time of their concession calculated, perhaps, to throw broadcast upon the Empire a lawless body of men, unacquainted with restraint, and amenable to no authority; for not only was the general temper of the foreign mind then exultant and unruly, but the common desire of both Imperialists and rebels to avail of them for military purposes had attracted to the shores of China a most ungovernable collection of abandoned adventurers. These, the influences of time and peace have already eliminated from amongst us; while the sobering effects of misfortune have checked the spirit of too ardent traders, and are causing all classes of men to act with prudence, and to observe caution. The present moment, therefore, seems one peculiarly fitted to put in force those rights to which by Treaty we are entitled; and which are right, also, that could not fail to prove of lasting good to either nation.

6. We take leave of this portion of our subject, hoping that the language in which we have expressed ourselves will make clear our general impression that the success of future British commerce with China will depend mainly upon the extent to which foreign traders shall be permitted to come face to face with the people, as well as upon that to which Treaty obligations shall be respectively enforced. Yet before we proceed further, it becomes our duty in the interests of our country's trade, which are our own, to impress upon the Government that if they fail, or refuse, to secure for Englishmen the right of inland residence in China, they must not palter with the other side of the question. The high Chinese authorities have throughout suffered, or caused, Articles XII and XXVIII of the Treaty of Tien-tsin to be persistently and openly violated, to the almost utter abrogation of the advantages conferred by them. In complete defiance of these Articles, foreign has been, and continues to be, heavily and widely taxed in excess of the stipulated transit duties; and we have consequently with much mortification often seen defeated efforts intended, in the first instance, to benefit ourselves, but which, had they been successful, would have likewise benefited many others. We have pointed to inland residence and its adjuncts as the true remedies for these grievances and evils; and we now loudly assert that if such remedies are to be denied to us, the Queen's Government ought not to flinch from the proposition and achievement of other measures calculated to secure real freedom of foreign trade with the Chinese Empire. We hold ourselves prepared to be reminded that mere inland residence, and mere navigation of inland waters, may not free foreign trade from illegal provincial impost or taxation to the extent which we would have represented ourselves as imagining these measures will do. We may be told that the taxes, which could not be levied upon goods protected by foreign convoy, might still, in another shape, be wrung by "Mandarin" exaction from the Chinese themselves. If so, it would become the duty of Her Majesty's Ministers to devise means for, at least, the correction of this mischief, the probable development of which we, with much pain, confess; but there would be no need for them to be discouraged thereby; the evil might prove great, but from a national point of view certainly not so great as that of which we are complaining; and after all it would be an evil which those who have read thoughtfully the past well

known must pale and fade away before the irrepressible advance of knowledge and civilization.

7. The better, more equitable, and certain accordance of justice by Chinese Courts to foreign plaintiffs, next urgently claims attention. By Articles XVII, XXII, and XXIII of the Treaty of Tien-tsin, the adjudication of all grievances experienced by British at the hands of Chinese subjects, was vested in the Consuls and the native officials, an appeal naturally lying to the high authorities at Peking. This system has not worked satisfactorily at any of the ports; but save as hereinafter described, we are not prepared to suggest any amelioration of its practice, except at Shanghae. Shanghae is, we do not need to say, the most considerable seat of foreign commerce in China, and, consequently, from its dealings have arisen the great majority of English complaints against Chinese. To meet this demand for justice no sufficient provision was made by the native authorities, and at length the difficulty of obtaining even so much as an appearance of action from these functionaries, led in connection with the question of the good government of the settlement of Shanghae, to the establishment of what was, and is still, denominated the Mixed Court; that is, a Court wherein sit as co-Judges some Mandarin on the part of the Chinese, and some member of the Consulate on the part of the British. Designed at first to take cognizance particularly of police cases, the Mixed Court became from the convenience arising from it, and because of the utter want of confidence attaching to the decisions enunciated by the native authorities in their city Yamuns, a Tribunal of general resort whenever plaints were laid by British against Chinese subjects. For such jurisdiction, however, the construction of the Mixed Court has shown itself essentially faulty, and it is not to be denied that when actions at law have been brought before it Englishmen have failed to obtain redress, whereas, on the other hand, Chinese rights and pretensions have been supported to the uttermost farthing. The Chinese possess a code of moral, but none of civil law; all disputes concerning property or commercial obligations are decided by them according to crude, puerile notions of equity, and their officials are rarely free from at least the suspicion of bribery. As though to make this worse, the office of British co-Judge has hitherto been filled by individuals totally untrained to legal pursuits, of but moderate rank in the public service, and in receipt of salaries utterly inadequate to the grave responsibilities with which they have been charged. So constituted, the Mixed Court has proved a failure, but an improvement, nevertheless, upon the procedure that previously existed; while, without doubt, it contains the germs of a system of judicature well calculated to meet the international requirements of both countries. The Mixed Court, however, has never gained, and until reorganized never will gain, the confidence of British subjects. It behoves us, therefore, to cast about for a remedy; and this remedy we would hope to find in the complete removal, as far as can be from time to time expediently effected, of all legal jurisdiction from under Consular control, and in the immediate erection and international recognition of a Mixed Court at Shanghae, whereof the co-Judges should hold well-paid, permanent appointments, and be Magistrates of such high rank and status as that each should command attention and respect not only from his own but from the other's Government as well. It is not for us, as we have in previous paragraph hinted, to suggest detail; that is the province of those to whom shall be entrusted the revision of the Treaty; but we believe that the object aimed at would be achieved were there to the Chinese co-Judgeship permanently appointed an official, with the rank, it might be, of Taoutae, enjoying credit and reputation amongst his own people, and to the British Judicial seat a lawyer of attainments and position so good, as to cause the enforcement of his enunciations and decisions to be incumbent upon the chief diplomatic authority at Peking. An additional Assistant Judge of the Supreme Court of China and Japan might well likewise occupy the post of British co-Judge; but, be this as it may, for the future let British co-Judges be legal gentlemen of standing so important that neglect of their dicta by the Chinese, the British Minister neither would nor could ignore. Then, and then only, will Englishmen in China place faith in the jurisdiction of Mixed Courts; while the benefits to accrue to civilization might in the end prove well worthy of Great Britain. As we have said, the Chinese possess a code of moral but none of civil law; is it not, therefore, the more necessary that the British conduct of Mixed Courts should be confided to trained Jurists, from whose native colleagues' and their own concerted decisions might in time arise a definite system of international jurisprudence? Let police matters and civil causes of trivial amount be decided by subordinates; but let all important suits against Chinese be heard before such a Court as we have endeavoured to portray. We have already stated that we would prefer to see all legal jurisdiction of a civil character eliminated from amongst the duties of Consuls, whose functions and powers would then become of only an executive and criminal nature; but we are well aware that except at Shanghae the time has not yet come for the establishment of Mixed Courts. Never-

theless, one essential feature of the system might be followed at Foo-chow and the other ports with the greatest advantage; we mean the permanent appointment of a native co-Judge to sit with the Consul upon all important occasions. From such a measure wold flow certain mitigation, at least, of the delays and bad faith persistently manifested by the native provincial officials, as well as accession of dignity and authority to the Consular judicial position, because the decisions of the Consular Courts would acquire consistency and weight with the Chinese Another subject now calls for discussion, and we proceed to it, begging your Excellency to bear in mind that the observations just made are put forward suggestively, and not as the opinions of men claiming acquaintance with judicial questions.

8. The rightful application of tonnage dues is a duty which has hitherto been grievously evaded by the Imperial authorities, and it is necessary that the fulfilment of Article XXXII of the Treaty be made compulsory upon the Chinese, as well as the powers conferred under it upon British Consuls be greatly extended. These tonnage dues now annually aggregate a very large amount indeed; much more than is at all requisite for the purposes to which alone such dues should be applied; and we are therefore of opinion that their reduction may very equitably be insisted upon.

9. We have now arrived at the last portion of our subject, namely the revision of the Tariff. Upon this head it will not be necessary for us to address your Excellency in any detail, as, regarded in a large and general sense, the present Tariff is a just and liberal one. The articles upon which it presses unfairly are few, of minor importan , and have already been brought by others very prominently to the notice of Her Maje 's Government. We would rather advert here to five measures of general policy, which we esteem to be desirable. The first of these is the abrogation of duty upon all coal native or foreign, a proceeding which would prove a boon of great value to the w dely extending system of steam navigation in China. If the Imperial Government seek to derive revenue from the coal-mines within their territories, let them do so by means of rents or royalties, but let the distribution of the fuel be freed from all impost whatever. The unrestrained re-exportation of foreign rice may, we think, be most justly demanded by the British Government. But permission to import salt is a privilege the concession of which we have much at heart, because it would prove a measure fraught with the utmost benefit not only to foreign shipping but to the Chinese population. We would desire to interfere in no way with an institution like the Government salt monopoly; we ask no more than sufferance to bring salt to the shores of China, and there dispose of it to whomsoever the Imperial authorities may designate. Our next requisition is that the Chinese Government be prevailed upon to allow the removal of the restrictions which, by the first paragraph of the fifth "Rule respecting Trade and Dues," are imposed upon opium. We enter upon the subject with none of the delicacy or hesitation which, out of deference to the preconceived ideas of many well-meaning people, we should have experienced eight years ago. During these eight years the trade in opium has been ventilated, and old fallacies and fables have been cleared away. The horrible pictures formerly drawn of the evil to result to the population of China from the comparatively unrestrained importation of this drug are now well nigh forgotten, or mentioned only to raise a smile at their absurdity; for since 1860 it has been rendered abundantly clear that the use of opium is not a curse, but a comfort and a benefit, to the hard-working Chinese. As well say that malt is a curse to the English labourer, or tobacco one to the world at large. Misuse is one thing; use another. If to a few the opium-pipe has proved a fatal snare, to many scores of thousands, on the other hand, has it been productive of healthful sustentation and enjoyment. Were we not well assured that these statements are true we should not press this matter as we are now doing; but after the evidence of the past we feel justified in claiming that those who deal in opium shall be permitted to supply the inland Chinese with the drug as freely as they are the dwellers at the ports. We therefore again ask that thé obnoxious Rule of Trade to which we have referred to may be rescinded, inasmuch as there exist no just or sensible grounds for its retention, and it must simply be regarded as a barrier to that increased tradal intercourse between India and this empire, which would prove so highly beneficial to both countries. In conclusion, we call for, as imperatively required, an extension of the period wherein foreign merchants are allowed to claim drawback of duty upon goods re-exported. At present, this period is twelve months from the date of the importation of the goods, a space of time manifestly too brief, and which might be extended to three years with perfect propriety, and with ample safety to the Chinese revenue.

10. We crave reference to paragraph No. 6 of this communication. Therein we described the motives which have prompted the views that we have expressed above, and in conclusion we beg leave to reiterate to your Excellency our belief that future British

intercourse with China should be characterized by action calculated to bring about a broad and continuous yet gradual extension of commerce; not by a policy aiming at the acquisition of small and unworthy privileges. But before we bring this Memorial altogether to an end, a grievance very pertinent to your Excellency's Government calls for notice. We allude to the Imperial Maritime Customs prohibition against transhipment in this harbour of merchandize in transit, on board of foreign bottoms, from one Treaty port or another. This restriction, while directly inimical to the interests of the Hong Kong, is not really requisite to the protection of the Chinese revenue; because your Excellency is doubtless ready to devise and enforce measures which would fully secure that object. We respectfully beg, therefore, to urge upon your Excellency's attention the removal of this paltry but vexatious interdiction.

We have, &c.

(Signed) JARDINE, MATHESON, AND Co.

Hong Kong, November 28, 1867.

No. 33.

Sir R. Alcock to Lord Stanley.—(*Received March 7*, 1868.)

My Lord, *Peking, December* 23, 1867.

I HAVE the honour to inclose copies of further Memorials, recently received from the mercantile community at Tien-tsin, and from missionaries at Swatow and Ningpo; and one also from Messrs. Jardine, Matheson, and Co., forwarded to me by the Governor of Hong Kong, to whom it is addressed.

These complete the number of Memorials which it is likely will be received from the mercantile body in China on the subject of the revision of Treaties. Any separate analysis of the contents of each, or comment on the views of the Memorialists, is rendered unnecessary by the general identity of the leading features in all. Nor is there anything novel in their suggestions. All complain of illegal taxes on trade, of monopolies and restrictions, of difficulties of transport and transit in the interior, and of deficient means of action against Chinese debtors or defaulters. All suggest the removal of the grievances and impediments to trade, and demand the right of residence in the interior, as the necessary corollary of a right to travel for purposes of business, and, finally, the introduction of steam-carriage, both on land and water, with telegraphic lines for rapid communication. Under these heads may be classed all the principal complaints and wants of the merchants; and, having already offered some general observations on the subject in the Memorandum forwarded in my despatch of the 15th of November, I should scarcely deem any further notice called for, had I not observed in the public papers printed at Hong Kong and the ports a disposition to draw some very erroneous deductions from this identity of views, and to reiterate them as so many indisputable facts.

It is inferred by these journalists in their leaders, of which I inclose one as a specimen, that such unanimity is sufficient proof of the justice and wisdom of the views set forth by the Memorialists—a sufficient testimony also that the complaints are well founded and accurately stated, and that the changes recommended are practicable and expedient in the interests of the merchants, whether consistent with Treaties and the law of nations or otherwise.

Upon such premises they arrive naturally at the further conclusion that Her Majesty's Government, by the force of public opinion or Parliamentary pressure will, in future, be compelled to conduct their diplomacy on new principles; the systematic violation of the spirit of the Treaty of Tien-tsin being utterly condemnatory of their policy and action in the past.

Whether any public opinion at home is likely to be brought to bear on the subject I cannot say; but if it be an intelligent public opinion, founded on knowledge of facts and the actual condition of China, Her Majesty's Government, and all who desire to promote the best interests of both countries, can only rejoice at such a prospect. Whether Parliamentary pressure will ever be exercised to inaugurate a new policy in China, and devise a sure means of obtaining the execution of every Article of a Treaty interpreted, both in letter and spirit, exclusively in accordance with the wishes and interests of merchants, irrespective of all other considerations of policy or justice, must be very doubtful. I doubt any British Parliament seeking or desiring such ends, and question its power to find an infallible recipe for obtaining all that is wanted. But it may be convenient to your Lordship, nevertheless, to have in a clear and connected form the materials for a

sound judgment on the chief arguments bearing upon the question of Treaty revision, which the Memorialists have opened up.

The fact is never once alluded to by the merchants that by the Treaty of Tien-tsin no right exists to demand anything but a revision of the tariff and regolations of trade: but passing over this as of minor importance, if it can be shown that such larger revision is needful, it is to be remarked that the main propositions in the Memorials are self-contradictory. In most, if not in all, it is alleged that the fault is not with the Treaty which is well adapted to the end contemplated by its authors, but in the narrow and false interpretation given to its chief Articles, and in the failure of execution. Yet on the other hand the most moderate of them either demand or suggest as essential to the development of trade, such radical changes and large concessions as would constitute a new Treaty differing in principles and scope from the one now in force.

This opens a wide field for discussion, and raises a preliminary question whether it be necessary, expedient, or practicable to enter into negotiation for the attainment of the latter objects? If the fault be not, as contended, with the Treaty, but in the mode of execution and the false interpretation to which its Articles have been subjected, the remedy would surely lie in this direction, and not in the construction of a new Treaty.

It will be logical at all events to determine first how far the complaint of misinterpretation and failure of execution is well founded.

The charge against Her Majesty's Government and their Representative of false or narrow interpretation contrary to the spirit of the Treaty is confined to two or three of the Articles:—

1. Article XII, giving right of residence, liberty to build houses and acquire lands, &c., at certain ports "or at other places," it is contended, was intended, and ought, in the spirit of the Treaty, to be interpreted as giving a right of residence, with all its attending conditions, extending over the whole Empire. The Chinese Government deny this, and the British Government have sustained them in doing so.

2. The right to travel for business or pleasure in the interior, provided for by Article IX taken in connection with Article XIV giving the right to hire cargo and passenger boats without restriction, it is contended, entitles the British merchants to convey his goods or person, and Chinese produce, throughout the provinces in boats—propelled by steam if they will—and under their own national flag. This also has been negatived by both Governments, and indeed by all the Treaty Powers.

The right of residence in the interior, and of inland navigation, are the two main conditions insisted upon as necessary to commercial development and within the spirit, if not the letter, of the Treaty as interpreted by the merchants.

The privilege of working mines, constructing railroads and telegraphic lines, and importing salt, are also much insisted upon, but it is not contended that these were provided for by any Articles in the Treaty.

If the privileges desired under either of these categories are to be secured, it is obvious that a new Treaty or Convention must be entered into. For the first, because neither their own nor the Chinese Government will accept the merchants' interpretation of the true scope and meaning of the articles quoted; and for the last, because by common consent no right has yet been secured.

So much for the incrimination as to false or narrow interpretation and the non-enjoyment of desired privileges.

In regard to failure of execution:—

Security for the recovery of debts or moneys of which they may be defrauded or robbed by Chinese subjects. There is no doubt great want of effective machinery for the adjudication of civil cases between foreigners and Chinese, and that devised or contemplated by Articles XVII, XVIII, and XXII of the Treaty of Tien-tsin is altogether inadequate to the end. But it is one of those questions which are difficult of solution whatever be the good will or good faith of the Contracting Parties to a Treaty with an Asiatic Power. Where there is no common ground of action in laws, customs, or creed on which the judgments of a mixed tribunal can be founded, no recognized civil code at all, as in China, and no power of assimilating procedure, the difficulties seem insuperable without a series of preliminary and tentative efforts to create both laws and fixed rules of practice. Yet even in this grievance the Memorialists are not justified in assuming that they alone have cause of complaint, and that it is enough for a Chinese to appeal to a British authority to obtain prompt redress and reimbursement of debts. There has been a recent case of bankruptcy tried in the British Consular Court at Hankow, where a British firm had obtained possession of large quantities of tea from Chinese traders, even a few days before the bankruptcy was declared and the creditors have received nothing in payment, not even the satisfaction of seeing a fraudulent debtor punished. It would be fairer, therefore, to admit that our own

system of procedure is not so absolutely perfect that there is never any failure of justice, and that no Chinese creditor can ever lose by dishonesty or reckless trading with their property by British subjects. If British firms lose largely by dishonesty of Chinese and the defective administration of Chinese laws, which I do not doubt, it is no less certain that in the long series of bankruptcies among foreign firms during the last two years there must have been enormous losses inflicted on the Chinese, for which our law provides no remedy or redress.

Passing on to the more general charge, of systematic violation of Treaty or failure of execution. In so far as the Chinese are concerned, I have not now to acquaint Her Majesty's Government that there is just cause of complaint under this head; because the despatches of Her Majesty's Representatives at Peking during a succession of years, have already supplied the fullest information on the subject. Nor need I more particularly refer to my own correspondence during the past two years, reporting the continuous efforts and representations of Her Majesty's Minister to the Chinese Government, both here and at the ports, to remove the vexations and restrictions to which foreign trade has been subjected by the provincial authorities. The last of these, suggested by the recent nomination of a Diplomatic Mission to Europe, a "note written for communication to the Prince of Kung and the Tsung-li Yamên, of which he is President, I now inclose. This is so full in detail, and comprehensive in its review, of all the various grounds of complaint caused either by open and systematic violation of Treaty rights or failure in execution of various Articles, that I need not occupy time by any further statement here.

But after admitting in the fullest manner the just foundation for many, if not all, of the complaints under this head set forth in the Memorials, it seems only just to the Chinese Government, and necessary to a proper understanding of the practical obstacles in the way of improvement, to advert very briefly to their side of the question. For, however, little disposed, to all appearance, the Memorialists may be to admit the fact, there are two sides.

By far the most serious of their real grievances consists in the excessive taxation to which all the articles entering into their trade are subjected. It is not only excessive in degree, becoming prohibitive in some cases, and capricious and unequal in its levy at different ports or places in the interior, but illegal even in a Chinese point of view. In regard to foreign goods imported, these taxes are already in flagrant violation of an express Article of the Treaty on transit dues. As regards Chinese produce, however suicidal and ill-judged such excessive and irregular taxation may be, the case is by no means so clear. There is something, no doubt, in the spirit and avowed object of the Treaty, which militates against any unconditional right of the Chinese Government, in the plenitude of its sovereign power, to impose taxes on Chinese produce, constituting the staples of a foreign trade, for the encouragement and perfection of which Treaties of Commerce and Navigation were made. But within what limits the otherwise incontestable right of the Emperor to tax his own subjects and the produce of the land may be justly exercised, has nowhere been defined. Can it be so defined by Treaty? As regards foreign goods, this has been done by fixing a transit duty of 2½ per cent. *ad valorem*, to the exclusion of all other taxation; but nowhere has the attempt been made in reference to Chinese produce. The endeavour has been made, it is true, to extend the principle of a fixed rate of transit duties to such of these as foreigners may have a *bonâ fide* interest in by purchase in the interior. But this has signally failed, from two causes chiefly. The first and principle of these no doubt is to be sought in the Chinese system of fiscal administration, by which a considerable part of the revenue of each province is raised by taxes on the produce of the land before it is allowed to leave the place of production; and transit dues in its passage through the several provinces. And in the general corruption of the officials, justified to a certain extent in public opinion by the notorious insufficiency of the salaries paid—insufficient for the maintenance of their official position, and in some cases for supplying the means of existence for an officer and his family. Like the letting out of waters, the way once opened for bribery and corruption, there is no limit until the utmost amount has been squeezed out of the unhappy traders which can be obtained, without provoking active resistance; and this somewhat uncertain limit is often overstepped, as the breaking out of tax riots from time to time over whole districts sufficiently testifies. Taking this state of things into consideration, it must be evident that it was a mistake to suppose any mere Treaty stipulation running counter to the whole fiscal administration of the country, the habits of the people and ingrained vices of the official classes, could prevail to protect even foreign goods from all obstruction and taxation through the interior. From the highest to the lowest officer employed in each province, the whole class has both a provincial and a direct personal interest engaged in its nullification. Neither Treaty Articles nor

orders from the Central Government could avail against such odds. How much less they could avail when Chinese produce was concerned, it is needless to discuss.

But in addition to these very practical and insuperable difficulties, there were others due entirely to foreigners themselves.

In a late Report of the Commissioner of Imperial Customs at Ningpo, himself a foreigner, there is the following paragraph:—"The export of cotton from the port is trifling in the extreme; yet almost the entire produce of this article comes down from the interior declared foreign property. The sale of transit passes is assuming almost sufficient importance to be a business of itself. Merchants obtain them for thousands of bales monthly, and at the rate of 5 cents a bale they are eagerly sought for by native merchants, who are thus enabled to evade payment of many local imports, to which, as Chinese subjects, they are lawfully liable." This has been publicly stated by an official authority, and never, so far as I know, contradicted. It has been repeatedly urged by the Chinese Government and authorities, as sufficiently accounting for and justifying many of the measures taken in the interior, and even at the ports, to prevent such evasion of duties by their own subjects thus fraudulently aided by foreigners: measures of which the Memorialists and merchants generally complain bitterly as vexatious interruptions to the free development of trade and violations of Treaty rights. But it would seem that such flagrant violations are not at all confined to Chinese authorities, but on the contrary they are suggested or provoked by the acts of the foreigner under cloak of a Treaty right which he abuses, to enrich himself at the expense of the Chinese revenue. If foreigners are ready to sell their Treaty privileges to Chinese to aid the latter to evade taxes imposed upon them by their own Government, it has been truly observed, "they can hardly blame the Mandarins for endeavouring to ascertain whether produce coming down country under protection of a transit pass be really foreign-owned or not."

I do not see how any system of transit passes is to be worked under such conditions on both sides.

When the Memorialists, therefore, complain so loudly of breach of faith in the Chinese, and failure to enforce execution of Treaties charged to their own Government and Representative at Peking as a crime, they both overlook the insuperable obstacles existing in the conditions of the country, its laws, and customs; and the scarcely less insurmountable difficulties created by the fraudulent practices and want of good faith in their own class.

How are these to be got over? The Memorialists are quite silent on this head; and discreetly ignoring the intervening difficulties, merely point to the end, suggesting no practical remedy for either evil, the one, the necessary result of Chinese vices, deeply ingrained in their constitution and fiscal administration, and the other proceeding from themselves and their own vices.

That neither the Chinese nor the British Government, nor any other, have found it possible to obtain execution of all the Articles of the Treaties either in their letter or their spirit, is due to causes over which, under existing conditions, they can have no adequate control; and the reproach, if any, which this failure implies, must be largely shared by the merchants themselves who are the complainants.

With these remarks I leave the case of the merchants *versus* their own and the Chinese Government. They have much to complain of in illegal obstructions to their trade; in restrictions and monopolies; as on rice and sugar and camphor from Formosa; beans and peas from Newchwang; in exactions and extortions cramping and injuring trade throughout the interior; in limitation of facilities for transport and transit throughout the provinces; in combination of Chinese guilds; tea-men and silk-men creating factitious and exorbitant prices. Time and effort may do much to abate such grievances; but it is by no means clear how any exercise of power or energy in the British Government or their Representative at Peking could immediately improve matters. The latter grievance is plainly one for traders and not for Governments to deal with. It is a war of combination on the one side, and of unlimited and reckless competition on the other, and is far beyond the means of any Government to remedy. The remedy, if one there be, must come from the merchants themselves. If the Chinese tea and silk-men cannot be met with their own weapons, drawn from the arsenal of combination, they must by other means; and it is for the foreign merchant and not for the Government to find and to use them.

In Great Britain, where free trade is in full vogue, established by law, and generally accepted by the nation, it has not been found possible to prevent combinations and trade unions, far more subversive of freedom and dangerous to their opponents, than Chinese guilds which have a legal status.

The whole question may be summed up very shortly. As regards the correctness, the justice, and the wisdom of the views propounded by the Memorialists, they are not

correct when they charge their Government with narrow and false interpretations of the Articles under which they would claim right of residence and inland navigation. They are not just when they lay their grievances from violations of Treaty in matters of transit dues and taxation exclusively to the charge of the Chinese Government. Still less is there any justice in their assumption that blame should attach to the diplomacy or the Government of Her Majesty, because obstacles and difficulties demonstrably insuperable for the present have not been surmounted.

Finally, as regards the new privileges and concessions which they seek they are not wise, I conceive, in desiring that these, any or all of them, should be forced upon the nation or its Government by foreign intervention and coercion, with all the danger attending such violent action and sudden innovation on the customs, traditions, and habits of a vast Empire with its 400,000,000 inhabitants, and a territory wider than Europe, to control and govern. Such was not the principle acted upon by those who framed the Treaty of Tien-tsin, which the Memorialists declare to be sufficient for the purpose. Lord Elgin, in his proclamation of the 20th November, 1860, promulgating the Treaty, declares that he "trusts by a considerate treatment of the natives with whom they may come into contact, and a faithful observance of their obligations towards the Chinese Government, Her Majesty's subjects in China will do what in them lies to reconcile the people and authorities of China to the changes in their relations with foreigners, changes which if they be carried into effect in such a manner as to afford greater scope to the commercial activity of the Chinese people, without doing unnecessary violence to their habits and traditions, will, it may be hoped, prove beneficial to them and to all who have dealings with them."

I venture to add that when carried out in this spirit, and no other, will the changes so ardently desired, and many of them so necessary, prove beneficial either to the Chinese nation or to those who have dealings with them.

To this question of change and the introduction of sweeping and large reforms, both the hopes and fears of Western Powers are attached. To it also undoubtedly is linked the future destiny of the Empire, and a third of the human race which constitutes its population. Had foreign Powers been prepared to sacrifice the trade with China, and allow it to be destroyed, for a time at least, by the triumph of the Taepings, there would have been no need at this time to respect old customs and traditions; for it was the mission of this great movement apparently to sweep away all time-honoured creeds and customs; to break with Confucianism and Buddhism alike, destroy all idols, and break down with a thorough and devastating force all that could stand in the way of reforms, and innovations on the old system of national life and government. We checked and rendered abortive this great wave of insurrection against all that existed. The British Government chiefly, and in the interests of trade, no one can doubt, commerce was saved, but the future of China was left to be worked out through the old worn-out system of Confucius, and traditions of Government and political economy no longer adapted to their needs. Whatever amount of anarchy and disorganization may have followed, it is quite certain that whenever the process of reconstruction commenced, those on whom the task devolved would have had easy work as regards Confucian ethics and Buddhist creeds, with all other remnants of old systems of Government. They would have had a *tabula rasa* on which to erect a new order of things; and to the Chinese, who are eminently an order and peace loving people, possessing a large class of educated men, the task of reconstruction, once the ground was cleared of old obstructions need not have been long or difficult. It has now to be decided whether the political system, clogged with such worn-out materials, and decrepid with age, is susceptible of a regeneration, and a new life of adaptation to modern exigencies and foreign civilization; or whether it is to be dissolved by a process of decomposition and degradation, more or less progressive and complete with all their consequences within and without the Empire. But the merchants especially, for whose present interests China was arrested in that course of mutation and renovation which nations can often only effect by civil war and revolution, a great crisis and the most violent remedies,—are the last who should complain if the process now going on is one that will not admit of hot haste or the introduction of sweeping changes, and must of necessity be effectual—if effectual at all or with safety—by slower methods. That there may be many in the position of the Memorialists who would be ready to sacrifice to their own interests, ill-understood, not only all Chinese, but at the same time the best interests of their own country, in their impatience at obstacles they only imperfectly comprehend, in their hurry to be rich, is quite possible. But whoever understands the intimate connection existing between the internal and external policy of China in its present state—the difficulty and magnitude of the task imposed upon its Government, and the grievous disadvantages under which they labour during the

minority of the Sovereign, and with chronic insurrection in the provinces still crippling their resources, will be slow to condemn as worthless the efforts those in power are making, or the results actually obtained. Statesmen will be still less willing to embarrass them by unreasoning importunity to effect at once, what can only be done by time and patient efforts.

The assumption of superiority and right of dictation which pervades the whole of these Memorials, in so far as they may be adopted by foreign Powers, constitutes one of the greatest impediments to progress under such circumstances. Internal organization and administrative reforms are the most pressing wants in China; but it is precisely in these that every nation of any independence claims for itself the right not only of initiation but direction, and is disposed to resent the meddling of foreign states. It would be a great mistake to suppose that this national feeling is limited to the races of European stock. It prevails over the whole breadth of Asia, and perhaps no where in the world more strongly than in China, where rulers and people are alike proud of their ancient civilization, their history, and traditions of Government.

If foreign Powers would guide and not coerce this people, they must begin by convincing and persuading them. If it be a question of compulsion, and forcing upon them changes in their system of government and administration, backed by such foreign appliances as railroads and telegraphs, the Treaty powers should be prepared to take upon themselves the whole responsibility of the measures, and provide their own machinery for governing the huge Empire under a Protectorate, or a general dismemberment and division of the fragments. Conquest and occupation have been spoken of; but it is difficult to see to what uses—political, military, or commercial—any portion of China could be applied by European powers; and if not prepared to enter upon an enterprise of this kind, they should be slow to adopt a policy paralyzing all national development, and directly leading to such an issue.

Those who suffer in their material interests, and feel from day to day the injury inflicted upon them by the maladministration, and often the bad faith, of Chinese officials, may very naturally feel impatient and little inclined to forbearance; but it behoves Governments to take action on larger grounds, and with greater regard for future and permanent interests. That such is the view taken by Her Majesty's Government I have always had full assurance; but I have received with unusual satisfaction at this time your Lordship's despatch of the 18th of October, where the difficulty which must always exist in effecting a radical change in the sentiments and habits of an entire people, is so fully recognized. Nor has the amount of progress made been so slight as to justify despondency. It is sufficient to glance at the great changes initiated during the last two years only, to see that, despite all difficulties and obstacles, much has been done.

The Memorial of the Tsung-li Yamên to the Emperor, in which the Ministers of the Foreign Board boldly declared the necessity for educating in the arts and sciences, as well as the languages, of Europe, followed by the institution of a college and schools for that purpose, was alone sufficient to mark an epoch in the progress of the nation. The subsequent authorization to Chinese subjects to build ships after European models, or to buy and charter foreign vessels, though still imperfect in its action through the manifest influence of the provincial authorities, is no less an important indication of the same progressive movement. The creation of a military arsenal at Nanking under foreign directions, of a naval arsenal and dockyard at Foochow; and the purchase of foreign steamers and and gun-boats at Canton, for the suppression of smuggling and piracy—would alone constitute signal proof of progress, and willingness to adopt radical changes, all the more significant and encouraging that these three great undertakings for the naturalization of European agencies have been initiated, not at Peking, but by the Viceroys and High Authorities of three maritime provinces—of Kiangsu, Fohkien, and Kwang-tung.

Thus, where your Lordship, alluding to the good effects of constantly bringing into discussion questions of administrative reform, confidently trusts to the influence which the contemplation of such questions is calculated in the long run to exercise it will be seen that events have fully borne out the prevision which was willing to leave the issue to this silent, but not less certain, process of suggestion and induction, as the necessary precursor of all healthy and spontaneous action.

The Chamber of Commerce at Hong Kong express great anxiety, in the concluding paragraph of their Memorial, to learn how far their views coincide or differ from mine, before I could have any opportunity of reading the exposition of their own; and, although they have taken a singularly circuitous method of arriving at any knowledge of my views, by applying in the first instance to the Governor of Hong Kong, and through the Colonial Department at home to the Foreign Office, instead of to myself personally, when they

might have had their desire gratified at once, I should be sorry to disappoint them, if your Lordship should see fit to give them the information requested.

It will probably be much more useful to them to know what I think of their views, after reading the Memorial, than to learn how far I coincided with them, or the reverse, at any antecedent period. But your Lordship is aware that I have expressed no opinions here on questions of Chinese policy and trade which have not heen maturely weighed, and transmitted for the consideration of Her Majesty's Government, at intervals, long before any Memorials appeared; and, so far as I am aware, there is nothing in either of the two Hong Kong Memorials calculated to effect any change in my views.

I have, &c.

(Signed) RUTHERFORD ALCOCK.

Inclosure 1 in No. 33.

Memorial by the Tien-tsin Community to Sir R. Alcock, regarding the approaching Revision of the Treaty.

Sir,

WE have the honour to lay before your Excellency the inclosed suggestions, relative to alterations and additions, on the revision of the Treaty in 1868, and we beg, at the same time, to make the following remarks concerning them:—

Nos. 1 to 24 refers to matters of general interest, common to all the ports of China, while Nos. 1 to 5, which follow these, are limited to this locality or its neighbourhood.

1. Article VIII of the Tien-tsin Treaty. Protestant missionaries, according to the experience of some of those resident here, have found much trouble and opposition, either direct or indirect, from the Chinese officials in the country, Tung-chow is more particularly quoted; while they observe that the Roman Catholic missionaries are allowed to pursue their avocations in peace and without interference. They ask, therefore, for an equality of rights and privileges.

2. Article IX of the Tien-tsin Treaty. Experience has constantly shown that the existence of the passport system, as applied to foreigners while travelling, still remains very imperfectly known to the Chinese officials in the interior.

The value of the passport thus becomes diminished, and ceases to have its intended action as a protective document to the peaceable and lawful traveller or trader.

3 and 4. Article XII and XIV of the Tien-tsin Treaty. We would desire the most liberal construction of these two clauses, believing that, in their true spirit, it was the intention of the framers that complete access to the interior should be secured for all lawful purposes, whether of religion, commerce, or pleasure.

The argument that such access could not have been intended, because by Article XI, certain Treaty ports were distinctly specified for the purposes of trade and residence, may be met by the inquiry as to what could then have been the intention of Article XII. If trade and residence were intended to be limited to the specified Treaty ports, then its introduction clearly appears to have been unnecessary; but if the broader interpretation, which we are now endeavouring to obtain, is inapplicable, then the Article in question is a dead letter.

The right of building and owning boats to trade in the interior, is so connected with the question of buying land or houses there, that we have placed our remarks upon both ubjects together.

5. Articles XXIV, XVIII, and Rule VII of the Tien-tsin Treaty. The illegal charges, often levied by petty, almost irresponsible authorities, upon goods in transit from the open ports to the districts of consumption, add so greatly to their cost, that the sale is either much diminished, or entirely ceases beyond a certain radius. They cannot, therefore, bear that fair competition with native manufactures which they would otherwise be enabled to do. And this, we think, is not in accordance with the intention of the Treaty or with that wiser policy, which would facilitate rather than instruct, the attainment by the people of those commodities, which foreign nations can offer them better or cheaper than they can produce for themselves.

6. Article XXXII of the Tien-tsin Treaty. The use and purposes of dredging machines are too well known to require any comment of ours upon them.

7. Article XLV of the Tien-tsin Treaty. The present limit of twelve months, as the time within which foreign imports may be re-exported, has been practically found too short, such imports sometimes requiring double that period before a sale can be effected.

It does not seem, in our opinion, that the Chinese Government could reasonably object to this proposition, as it is quite in accordance with the spirit of the Treaty, which

provides that foreign goods shall only pay duty once, and that upon being re-exported they shall be protected from again paying duty by an exemption certificate.

8. The idea of throwing open all China to foreign intercourse seems a bold one, but only because we have permitted ourselves to accept, morsel by morsel, the privilege of trade and residence at a few ports on the coast; although the true spirit and object of the last Treaties was, that the whole country should be opened to Christianity and commerce in its entirety.

The extreme reluctance of the Chinese Government to accept its natural position as one only among the nations, its vain struggles against the destiny which has brought it repeatedly within the last quarter of a century into collision with its self-termed barbarian foes; the humiliation and sacrifices which have thus been entailed upon her, the gradual extension of foreigners upon her seaboard, which has resulted in the extension of their trade from one to thirteen ports; and the permanent location of foreign Envoys in her very capital, have not yet, it is believed, taught the Government that its true interest, as well as that of this immense empire, lies in a cordial and frank acceptance of the position, in encouraging the intercourse and cultivating the friendship of foreign nations; in not disdaining to learn from them those useful and practical arts, the knowledge of which would multiply the material resources of the country, add to the comforts and happiness of the people, and place her on that position of equality with other nations which her population, numerically the largest in the world, her geographical position, and her magnificent physical advantages would naturally entitle her to assume.

As an example not unworthy of her imitation we would point to the neighbouring Kingdom of Japan, opened to general intercourse with the outer world some sixteen or seventeen years, but which has eagerly embraced the opportunities and appreciated the advantages of Western intercourse. In addition to sending numerous bands of Japanese youths to Europe for instruction in foreign science, the heir apparent himself is now esiding in the capital of France for the purpose of education.

Could China take heart and boldly throw the entire country open without limit or restriction, the benefits to the whole nation, as well as to foreigners, would, we believe, transcend the dreams of the most sanguine.

9. The introduction of foreign pastoral or agricultural colonists, in a country so well suited as Mongolia for such pursuits, would, while enlarging the field for capital and enterprise, not be without advantage to the inhabitants themselves.

By various accounts much of the produce, such as wool, &c., is lost or spoilt from imperfect systems of operation, and flocks and herds annually perish through the improvidence and ignorance of their owners.

10. The establishment of railways and telegraphs we consider as one of the most important, if not the most important, of all the measures which we trust are now on the eve of initiation. The incalculable benefits of cheap transit which the first would introduce: the indefinite multiplication of wealth, consequent on the interchange of products between districts which now can practically have no exchange; the low price at which produce or foreign importations could be delivered to the consumer in remote inland districts: these and many other advantages are so manifest that we need not dilate on them to your Excellency. We would mention, as being something locally near us, the wool of Mongolia, the fine iron of Shan-Hsi and the coal of the province; valuable products, the consumption and export of which are practically prohibited by the exclusive dearness of transit: the cost of which often exceeds several fold the cost of the articles themselves.

Telegraphs, in conjunction with railways would we conceive, be one of the most potent weapons in the hands of the Government; not only giving it stability, but also giving it security against its enemies. By the first, it would receive instantaneous intelligence of disaffection, or revolt in its remotest province. By the second, troops could be transferred to the disturbed district with ease, rapidity, and economy.

The concentration of telegraph wires at the metropolis, like many reins in the hands of the charioteer, would give it command of the entire team; and enable it to control distant hostile organizations, against which it is now too often powerless. This, of itself, would go far towards pacification; and would ultimately result in the extinction of those slumbering fires of rebellion, which seem by past experience to be almost normal to the condition of many parts of China and so hurtful to her progress.

11. The working of coal and iron mines, more especially the former, is one of great importance to the material prosperity of the country. The coal mines, according to the observations of many travellers, are worked so unskilfully as to produce but little of what they might be made to do; and chiefly surface coal only is obtained.

In this department of labour foreign science could be made available, manifestly

to the benefit of the country and all concerned. In conjunction with railways, so that cost of transit would be moderate, there would be nothing to hinder a very large consumption, as well as export from, this port, thus adding very materially to its prosperity.

12. The system of bonded warehouses is beneficially employed in other countries and there seems no reason why China should fear to follow their example.

13. The inconvenience of having to receive in payment for goods, shoes of sycee of doubtful purity and value, is one often felt by the foreign merchant, and some protective remedy seems called for; we have therefore ventured the present suggestion.

14. We believe that both the Government and the people would benefit by the establishment of a fixed currency; this would necessitate the establishment of a mint. Loss by weight, in consequence of the perplexing difference of standards of weight in various parts of the empire, has now to be submitted to, both by the Government in receiving bullion payments, as well as the people in making them. A standard currency would obviate this, to the advantage of all but shroffs, or those who live by the difficulties of the present system.

15. Holders of native bank notes have now nothing on which to fall back, in the event of the suspension of the banks: an occurrence which is only too common now-a-days. Usually, when a bank or money-shop closes, nothing remains for the creditors but a little shop furniture of a very poor description, and this is mostly carried off piecemeal by those who may first arrive on the scene of action.

We think that the Government could, if it pleased, establish some kind of control, by which protection could be afforded to the creditors towards recovering part of their loss.

16. Foreign salt, introduced at an *ad valorem* duty, might safely be allowed to compete with the native article. If it could be sold of better quality and cheaper than Chinese salt, why should not the people have the option of using it. And if it could not compete with Chinese salt, the natural laws of trade would soon cause its importation to cease.

17. It seems to us not unreasonable to ask for a return of the transit duty, when the goods come back from the interior unsold. But we leave this point for your Excellency's consideration.

18. Peking has hitherto been closed to foreign trade; more, we believe, out of consideration to the feelings and prejudices of the native officials there, than from any objection on the part of the people.

The time has arrived, however, after eight years' residence in the capital by the Foreign Legations, and the ameliorating influence on Chinese mistrust and prejudice, which, it is presumed, has resulted therefrom, for the officials to be reconciled to the presence of foreigners, and the restriction, we venture to think, might now advantageously cease.

19. It would assist much in the export of coal to free it from export duty, so long as it did not leave China; this would encourage its consumption, and add also to the wealth of the country.

20. Chinese produce now pays two duties; the export duty at the port of export, and the trade duty at the port of import. The latter we think, should be dispensed with.

21. The opening of the Yellow River to foreign trade and steam navigation would be one of the many civilizing agents which we trust to see eventually in operation.

22. While advocating direct intercourse between the foreign peoples and Chinese officials, instead of through the Consuls, as hitherto, we would remark, that we have the greatest confidence in the Consular Body; nor have we the slightest desire to see their legitimate authority shortened. But we consider that such authority might judiciously be limited to their functions as international agents; to taking cognizance of crimes, trespasses, and breaches of the law; and to action in those cases which affect the general interests of the whole communities, rather than those of private individuals.

In the new era which is now, we hope, drawing on China, industrial enterprises of every description may possiby be undertaken by individuals, either singly or associated, in remote portions of the country, far from Consular protection, and to the success of which, direct and free intercourse with the local authorities might be absolutely essential. The reference and re-reference, the tedium and delays, inseparable from transacting business through a Consular channel under such circumstances, might often be fatal to the enterprise.

We believe that at the Treaty ports, even now, the Consuls in many petty cases, of interest merely to the persons concerned, might, greatly to their own relief, yield up their present privilege of action to such persons, and allow them to prosecute their own cause

with the Chinese Authorities with that warmth and energy which self-interest would naturally inspire, but which they could hardly expect their Consuls to feel.

23. The Chinese Government have long laboured to prohibit both the importation and the smoking of foreign opium, as the opium war of 1840-42 sufficiently testified.

But experience at length induced them, as the lesser of two evils, to legalize its introduction; this, your Excellency is aware, was only done in the last Treaty. It was, however, curbed by restrictions which prevented it from being sent into the interior by foreigners, and which also did not recognize it as foreign owned in any place except at the Treaty ports.

But, as time has now shown, this restriction does not diminish consumption, for its importation yearly increases. We think, therefore, in respect of transit to the interior, no exception should be made between it and other foreign goods.

24. It is reasonable to believe that various products of China—and notably coal—when brought to the ports of export by cheap systems of transit, such as railways or inland steamers, must and will fall in value, or, in other words, be sold at a lower rate than at present. In such case the duties, which were originally based upon an *ad valorem* of 5 per cent., would obviously bear unjustly upon their altered and decreased value; and we think, therefore, under such circumstances, the duty should be lowered accordingly.

Local.

1. A trade and demand for coal, which at present comes from the mines at Chai Tang, in the western hills, near Peking, has commenced at this port; and the steamers which have used it speak so encouragingly of its good quality for the purposes of steam navigation, that its extended use is merely a question of cost. This almost entirely hinges upon the expense of transit, as coal which only costs taels per ton at the pit mouth, is swelled in price to taels by the time it reaches Tien-tsin.

A railway would allow it to be placed here at a moderate advance upon the original cost, and thus enable it to take its legitimate place as an export.

In the anticipated event of direct trade with England and the continent of Europe, coal would be a most useful ballast for vessels engaged in this branch of trade to take to Shanghae, or to those coast ports where they could find suitable cargoes with which to return home.

2. Docks at Taku, fit for the reception of grain and other junks, would relieve the Pei-ho, already too narrow for the traffic on its bosom, from the lumbering movements of many of the large unwieldy native crafts, which, owing to their helplessness, are a fruitful source of collision on the river—a subject which is annually becoming more momentous.

3. The dredging of the two Taku bars could be effected by the employment of proper dredging machines similar to those in use in other countries; and the increase in the trade, from vessels of large burden being able to enter the port, with corresponding increase in the maritime revenues, would offer, in our opinion, sufficient encouragement to undertake the attendant outlay.

4. A lighthouse on the Sha-lo-teen bank has long been wanted, and its need often discussed. Its value to a commercial port needs no advocacy of ours; and we believe that the local authorities have at length recognized its importance, both as a beacon of safety to vessels, as well as an indirect means of increasing the revenue, by decreasing the dangers of approach to the port.

5. It would be a great increase of convenience in the transaction of Custom-house business, if its different departments could be concentrated under one roof, or at one place. At present, the Hai Kuan Bank, where duties have to be paid; the Customs Office, where vessels enter and clear; and the jetty or place for the examination of goods, are all widely apart. The result is an expenditure of trouble and time, which could be avoided by the adoption of the present suggestion.

In offering, with the utmost respect to your Excellency, these suggestions for the revision of the Treaty in 1868, with our remarks, we have abstained from touching upon topics, such as the privilege of Ministers to have audience with the Sovereign, which we feel can safely be confided to your Excellency's superior judgment, and have confined ourselves to those matters which more immediately affect our general or local interests in China, and upon which we can therefore speak with the authority of experience.

At the same time we would wish to shield, in anticipation, our views from the charge of being "utopian," or "advanced"—the latter, too often, being only a synonym for impracticable.

What, we ask, is the word "advanced" but a relative term? He who is three miles

in front of another, on a line of march, is relatively in advance; but he who is 100 miles in front does not consider the one who is three miles as advanced.

So it may be said to be with China. What seems advanced to her, is but ordinary progress and locomotion in the eyes of Western nations.

Our desires are for just and wise laws; just to China as well as to ourselves, and which may be alike beneficial to both sides. As equity is the sure basis of sound legislation, so is justice the root of all international compacts. And we would hope that the time has now come for this great country to rouse itself—to abandon its policy of isolation and restriction—to join the march of nations in the cause of progress and civilization, and thus reap those rich harvests of moral supremacy and material prosperity which all past history shows has always been the reward of just, humane, and enlightened legislation.

We have, &c.

(Signed) JOHN A. T. MEADOWS, *Chairman of the Committee.*
JAMES MACKEY, *Secretary of the Committee.*

Alterations and Additions proposed for insertion in the Revised Treaty of 1868, *suggested and agreed upon at Meetings held on the 5th and 18th of November,* 1867, *by the Foreign Community of Tien-tsin.*

1. Article IX. Treaty of Tien-tsin. That all foreign teachers of Christianity be placed on equality, in every respect, as to rights and privileges which may hereafter be granted by the Chinese Government.

2. Article IX. That passports, as hitherto, be issued to foreigners, but that the Imperial Government shall be bound to make their existence throughout the empire known to every one; such having not been the case, even as regards the authorities themselves, in many parts of this region up to the present hour.

3. Article XII. That foreigners shall be at liberty to buy land or houses at any place in the Chinese Empire for lawful purposes, such as trade, propagating of religion, or for pleasure, in the most liberal construction of the spirit of Article XII of the Tien-tsin Treaty.

4. Article XIV. That foreigners shall be at liberty to build boats, and to employ them either for trade or pleasure, to go into the interior from any of the open ports, and, if used for trade, such boats to be registered accordingly, and to pay the dues which may be laid down by the revised Treaties.

5. Articles XXIV and XXVIII and Rule VII. That foreigners shall only pay duties in accordance with the stipulations of the Treaties and Tariffs, and not be required to pay any irregular or illegal charges in transit.

6. Article XXXII. That, in addition to the erection of beacons, lighthouses, and laying down of buoys, the Chinese Government provide foreign steam-dredging machines for the dredging, from time to time, of the bars and rivers at the ports when necessary.

7. Article XIV. That the period for re-exporting foreign goods shall be unlimited.

8. That in our opinion, the whole of China proper and its dependencies should be thrown open to foreign intercourse.

9. That in every case, however, foreigners should be allowed the right and privilege to go into Eastern Turkestan, Mongolia, Kirin, and other dependencies of China; either as traders or as pastoral or agricultural settlers.

10. That the Chinese Government permit foreigners to construct and aid the formation of railways and telegraphs throughout China and its dependencies.

11. That the Chinese Government permit foreigners to own coal, iron, and other mines in China and its dependencies, and work them on foreign principles.

12. That the Chinese Government establish bonded warehouses at all the open ports.

13. That the Chinese Government compel the smelters of sycee to put the exact touch or values of the shoes of sycee on them when issued.

14. That the Chinese Government establish a mint, to issue therefrom a coinage of tael pieces, half-tael pieces, quarter-tael pieces, and one-mace pieces.

15. That the Chinese Government place under control the native banks and money shops, so that some protection may be afforded to the holders of their notes.

16. That the Chinese Government permit the introduction of foreign salt at an *ad valorem* duty.

17. That the transit dues be returned on goods which have been sent into the interior, when such goods come back to the port of departure unsold.

18. That Peking be open to foreign trade on the same footing as other cities in the interior.

19. That Chinese coal shall be sent to any place in China free of duty, but that if exported to a foreign country it shall pay duty *ad valorem*. Hong Kong, in this respect, shall not be considered a foreign country.

20. That Chinese produce, in transit from one open port to another, shall only pay one duty.

21. That the Chinese Government allow the Yellow River to be opened for foreign trade and foreign steam navigation.

22. That foreigners shall have direct intercourse with the Chinese officials, without being obliged to carry it on through the Consuls, as hitherto.

23. That East Indian produce when foreign owned, shall be allowed to be taken into the interior on exactly the same footing as any other description of goods.

24. That, in the opinion of this meeting, in the arrangement of the duties in 1868, 5 per cent. *ad valorem* should be adhered to as the basis of valuation, as hitherto; but should hereafter the values of goods become lower, owing to cheaper transit, consequent upon the introduction of railways, inland steam navigation, &c., then the duty shall be levied in accordance with such decreased value. Wool, coal, and iron, it is believed, would be more particularly affected by any change which would cheapen transit.

Local.

1. That the Chinese Government grant permission for the construction of a railway from the coal mines at Chai-tang and neighbourhood to Peking, Tien-tsin, and Taku.

2. That the construction of docks at Taku, in which grain and other junks could discharge or load, shall be undertaken and carried out by the Chinese Government without delay.

3. That the dredging of the two Taku bars, so as to admit the entry of vessels drawing 20 feet or more of water, be also undertaken by the Chinese Government without delay.

4. That it is desirable a lighthouse be placed upon the Sha-lo-teen bank as speedily as possible.

5. That for the greater dispatch and convenience of public business, the whole work of the Custom-house be carried on in one building.

Inclosure 2 in No. 33.

Memorial of Swatow Missionaries.

Sir, *Swatow, October* 11, 1867.

IN view of the approaching revision of the existing Treaty between Great Britain and China, we, the undersigned British Protestant missionaries resident at Swatow, desire respectfully to call the attention of your Excellency to two particulars, a more explicit statement of which, in the revised Treaty, we consider of the very highest importance.

1. As to the holding of property by rent or purchase beyond the limits of the Treaty ports.

In the VIth Article of the French Convention there occurs the following statement:—"It is, in addition, permitted to French missionaries, to rent and purchase land in all the provinces, and to erect buildings thereon at pleasure." Now, by the "favoured-nation clause," British missionaries are clearly entitled to the same privileges, but have hitherto, in repeated instances, failed to obtain them, the validity of our claim being denied by the Chinese authorities. We would, therefore, respectfully suggest the insertion of a clause to the same effect in the British Treaty.

2. As to the protection of Chinese Christians from persecution.

Such protection is guaranteed in general terms by the VIIIth Article of the Treaty, but some more definite statement on the subject is required. We would therefore suggest that, for the removal of all doubt as to the extent of protection intended, it be distinctly stated, in the revised Treaty, that Christians shall not be required either by their own relatives or others, to contribute to the worship of any spirit or image, to the building or repairing of temples, to idolatrous processions, to theatrical performances and such like; and shall not, in consequence of declining to contribute, incur any loss of property or forfeit any of their civil rights.

Of these two particulars, the first is already secured to French missionaries by an Article in the French Convention, and the second is secured to their converts by the explanatory edict issued by Prince Kung in the first year of the present reign.

We would, therefore, earnestly request of your Excellency that such measures may be taken as will secure to British missionaries and their converts equal rights, not merely by implication, but by express stipulation.

We have, &c.
(Signed) GEORGE SMITH.
K. L. MACKENZIE.
WILLM. GOULD.

Sir R. Alcock, K.C.B.,
&c. &c. &c.

Inclosure 3 in No. 33.

Memorial from Ningpo Missionaries.

Sir,

WE, the undersigned British Protestant missionaries resident at Ningpo, understand that it is proposed at an early date to make a partial revision of the existing Treaties between China and Great Britain.

In view of this we beg respectfully to present to your Excellency the following suggestions with reference to the subject in which we and the Christian Churches we represent are most deeply interested.

A clause in the VIth Article of the Convention between France and China, signed at Peking, October 25, 1860, states: "It is, in addition, permitted to French missionaries to rent and purchase land in all the provinces, and to erect buildings thereon at pleasure."

This provision of the French Convention, as your Excellency is aware, is not contained in the Treaties between Great Britain and China. It is our opinion, nevertheless, that according to the simple wording of Article XII, and by the operation of Article LIV (commonly known as the favoured-nation clause), the privileges thus granted to French missionaries are equally accorded to missionaries from Great Britain.

Since, however, high authorities of our nation have felt constrained to construe these Articles in a contrary sense, and since it is a well-known fact that the Chinese authorities, whether backed by such sanction, or from actual ambiguity in the wording of the Treaty, have denied or called in question the validity of the claim to these rights by British missionaries, we deem it a matter of the utmost importance that such ambiguity should be promptly removed.

We therefore earnestly pray your Excellency to adopt such measures as may commend themselves to your judgment, to obtain in the proposed revision of the Treaty between Great Britain and China, a definite recognition of the right of British missionaries "to preach and propagate the doctrines of Christianity throughout the length and breadth of the Chinese Empire, and to rent and purchase land in all the provinces, and to erect buildings thereon at pleasure."

Without fear of incurring the charge of bigotry, we beg also to record our opinion that, by the wording of the existing Treaty, the essential differences between Protestant and Roman Catholic Christianity, differences too becoming more and more widely known and recognized amongst the Chinese, are practically ignored.

This is a matter which we must leave to your Excellency's judgment, rather than venture to offer suggestions. If, however, either by a repetition of the clauses in favour of the two religions or by any other means, the holy religion of Jesus and the religion of the Lord of Heaven, though equally favoured, could yet be separately recognized and individually noticed, we are of opinion that a second source of ambiguity would be removed from the Treaty.

We have, &c.
(Signed) CHAS. H. HUDSON.
WILLM. R. FULLER.
SAMUEL DODD.
GEORGE D. STOTT.
J. MARA.
J. BATES.
JAMES MEADOWS.
A. E. MOULE.

Sir R. Alcock, K.C.B.,
&c. &c. &c.

Inclosure 4 in No. 33.

Memorial addressed by Messrs. Jardine, Matheson, and Co., to the Governor of Hong Kong.

[See Inclosure 2 in No. 32.]

Inclosure 5 in No. 33.

Extract from the "Daily Press."

FOREIGN POLICY IN CHINA.—The Shanghae Chamber of Commerce Memorial, although very friendly in its tone towards the Minister Plenipotentiary, is too earnest and truthful a document to fail in a clear enunciation of the fact, so utterly condemnatory of Sir Rutherford Alcock's career at Peking, that the spirit of the Tien-tsin Treaty has been systematically violated by the Chinese. This has been done in defiance of the British Representative, and that there has been, says the Memorial, "a disposition in influential quarters to endorse and uphold" the retrogressive policy which has been adopted since the close of the Taeping Rebellion by the Chinese Government, relieved, by the failure of that enterprise, of the fear which made it at one time disposed to conciliate the support of Europeans. The Treaty has been justified by time, so far as the judgment shown in its composition was concerned, but it has been a false beacon to the foreign merchant, because the appointed guardians of European interests have not had the courage to defend or assert them. The iteration of this humiliating fact can hardly fail to work some good result at home. The Revision Memorials, now that they are all, or almost all, before the public, must, we think, be accepted in the mass, as likely to exercise a more powerful influence on affairs of China than could have been anticipated for them at first. The effect which they may be expected to have will be due in a great measure to their unanimity. If they had gone home a confused mass of conflicting suggestions, containing the exposition of rival theories, and projects of dazzling magnitude and ingenuity, they would not have been likely to exercise so great an influence upon the policy of the British Government as it is reasonable to hope they may exercise now. They are, as it is, simple and practical from first to last, and they all tend one way. Each Memorial contains some local suggestions bearing upon the peculiar conditions of trade at the port where it is prepared, but none of them are contradictory, and, independently of local suggestions, they all assert with more or less emphasis the fundamental truth which the latest Memorial of all puts forward so temperately and so well, that the Treaty would have been a fairly good Treaty if it had been properly carried out, but that the diplomatic agents sent to guard it from violation have failed to do their duty, so that it has never been carried out at all. Can the Home Government remain indifferent to this fact, when all the British residents in China unite in bearing their testimony in its support?

What is the aim and object of Great Britain in keeping up relations with China? Is it merely that of avoiding the open abandonment of Eastern trade, or that of persevering in the policy which has created the trade of China and Japan, won for mankind the vast material benefits involved in that extensive commerce, and which has at least sown the seeds of civilization amongst a race including a quarter of the world's population? There may be, no doubt there is, a strong disinclination on the part of any English Government in power at any given time, to run the risk of a difficulty in China. Lord Palmerston, it used to be said, enjoyed the rise and growth of any diplomatic difficulty in which his Government became involved, for the sake of the intellectual pleasure he derived from the exercise of his diplomatic skill in escaping from it afterwards; but there are not many statesmen so confident in their own diplomatic skill and good fortune. While China is quiet, no British statesman now living would be likely to go in advance of popular and parliamentary demands, with the view of urging on the progress of events in the Far East. Great strides are accomplished in politics by the exertions inspired by great danger or suffering. The spur of an urgent fear, or hope, is always needed to bring out the real resources of national or individual energy; and in the case of a Government like that of Great Britain, it may be broadly asserted that nothing is done without the impulse of parliamentary pressure, which is always a danger for a Cabinet when disregarded. But, at the same time, Ministers of State are sufficiently prescient to foresee parliamentary pressure in many cases, and to avoid it by anticipating the action desired. The policy of extending British commerce in the East is so clearly accepted by the country, as a rule which is to be carried out whenever this can be done consistently with just principles, and without aggressive hostilities, that no Ministry would be disposed to depart very widely

from it, if it became manifest that such departure would probably become the subject of discussion in the House. It is in consideration of this that we hope well for the effect of the revision Memorials. They are public documents, of which any member of the House may have cognizance, and which will put any man who reads them attentively in a position to criticize the measures which the Government may take at the approaching crisis. Had they been contradictory, a Government anxious to do nothing might have played one off against the other, but they all press, as we have said, in one direction; they all point to the necessity of conducting the British Diplomatic Service in China on new principles, and to the supreme necessity of inaugurating a new era by means of Agents who are not hampered by the discredit of their own activity and weakness, in the part.

Inclosure 6 in No. 33.

Note written for communication to the Prince of Kung and the Tsung-li Yamên.

FIVE months ago the British Minister at Peking had a long conference with his Highness the Prince of Kung and other members of the Yamên, in which he communicated the results of a tour of inspection to the Treaty ports.

Subsequently, the Minister addressed a series of communications to the Prince, setting forth in detail the specific complaints of British merchants and the violations of Treaty by local Mandarins and provincial authorities, from which their interests suffered.

Nothing effective has been done in this long interval to remove the grievances or in any way ameliorate the situation of the complainants, not, it is believed, from any absolute unwillingness on the part of his Highness and the Yamên to give effect to the Treaty, but from their reluctance or inability to initiate great changes and reforms in the provincial system of administration by which alone a cure for these and other abuses can be obtained.

That practical difficulties exist, that they are many and serious, and by no means easy to be dealt with, is not unknown to the British authorities; nor is it any part of the policy of Her Majesty's Government either to overlook the fact or to ignore their influence in retarding and embarrassing the effective action of the Chinese Government. Nevertheless, the evils suffered by British subjects have now attained such magnitude that a more or less complete remedy must be found, and the relief required cannot be indefinitely delayed until radical changes take effect.

It is fortunate at this conjuncture that the resolution has been taken to send a Diplomatic Mission to the different Treaty Powers. It is a decided step in advance, on which the Imperial Government is to be congratulated. It will afford them an opportunity of setting forth plainly at foreign Courts what their difficulties are by the mouth of their own Representative, and it will be regarded by foreign Powers as a step full of promise for the future. It will be necessary, of course, to furnish the Emperor's Representative with such instructions as will enable him to speak distinctly of the views and intentions of the Government on leading points of their policy, both foreign and domestic; for these cannot be kept entirely distinct. Whatever may be the disposition of foreign Powers to abstain from any interference with the internal affairs of China calculated to call in question its independence as a Sovereign State or endanger the integrity of the Empire, the execution of Treaties generally and the observance of provisions directly affecting the interests and the status of foreigners in the country are international questions; and it is impossible to separate these from the consideration of the measures taken by the Chinese Government in the Provinces to secure such execution and prevent continually recurring violations of Treaties, both in the letter and in the spirit.

The Treaty with Great Britain is essentially a Treaty of Commerce and Amity, and intended to promote those two objects principally. But of what use, it may be asked, is a Treaty giving the right to trade on payment of certain fixed duties, if the Emperor's officials in the provinces can at their pleasure increase these without limit, in the passage through the interior of the staple articles constituting the trade? Or of what value are Treaty provisions against embargoes on produce and monopolies, if they may with impunity assume the right to prohibit all trade in certain articles at their pleasure, or in fifty different ways obstruct commercial operations and curtail the facilities necessary to their success? Neither commerce nor amity can be maintained under such conditions.

The British Minister has no desire to intrude his advice upon the Yamên or to enter into a dissertation in this place on general principles of government and Chinese policy. Unpractical assertions of vague and indefinite principles, which it may be impossible

to reduce to working shape, are a waste of time and advance nothing. But as to the necessity for great changes to bring China in harmony with its altered relations to the outer world, this is a general question in which foreigners no less than Chinese are interested. Innovations and sweeping reforms are so obviously the necessary conditions of any advance towards this end, and are otherwise so essential to the maintenance of order and the development of the resources of the country, if not to the stability of the Empire and its immediate safety from both internal and external sources of danger, that it were a bad compliment to the intelligence of Ministers of the Tsung-li Yamên to argue as though such truths were not fully recognized.

It is not the general principle that is in question at all, but what are the practical means by which the changes necessary can be effected?—What the best time and mode of initiating them?—How are the obstacles to be removed which stand in the way of progress, and the dangers, inseparable perhaps from all great changes, best to be averted? These, the British Minister is aware, are the preliminary difficulties chiefly occupying the thoughts of the Foreign Board. And among other means of a practical kind for the reformation of many branches of the Public Service, civil and military, the introduction of foreign elements into Administrative and Executive Departments has undoubtedly already engaged their serious attention. The desirability of securing the friendly co-operation of foreign Powers in the great work of reorganization and improvement so urgently called for in the public interests, and in all efforts to develop the great resources of the country, is so well understood by Chinese Ministers as to require no arguments by foreign Representatives.

Each movement in the path of progress, however, where everything is new, is apt to bring its own special danger or difficulty with it. And the question here again with Chinese Ministers, it is believed, is not whether such aid should be accepted, but under what conditions it can be secured without prejudice to the independent action of the Government, and with absolute freedom from foreign control or dictation; secured, in a word, for the advancement of national interests, and not perverted to foreign or hostile ends.

Certainly, unless the initiative be with the Chinese Government, they would cease to exercise the necessary control over their own affairs, and in a great degree to be responsible for the results. The work before them is new, and it is no discredit to any body of men that they should walk warily, and perhaps hesitatingly, on an unexplored path. The conditions of thought and habits of mind in the Western and Eastern races, now brought into such close contact and bound to work together for a common object, are too distinct in their differences to permit of instantaneous combination or entire confidence. Discordant and even antagonistic points have to be smoothed down and rounded off by constant friction.

All first steps ought perhaps to be tentative, and it would be unreasonable to hope that with the best intentions there will be no mistakes or false starts.

Keeping those considerations in view it is right and necessary that the Chinese Government should see their way with some clearness before each step is taken. The working of mines by European science and machinery and under foreign direction, the laying down of railroads and telegraphic lines, may be all very essential to the future prosperity and good government of the Empire, and little doubt can be entertained that, sooner or later, these innovations will be naturalized in the soil, as tobacco and rice have been, though originally imported from abroad, and with like beneficial results. But, however urgently required by existing interests, it may be fairly admitted that the initiative belonging of right to the Government of the country, it behoves them, in its interest, to be free from either dictation or control in this as also in the choice of foreign Agents for carrying them into effect. They are right if they see to this as a first and preliminary condition. It behoves them to see that they have some adequate security against the employment of foreigners or of foreign capital being made a subject of contention between foreign Powers and a ground of interference and quarrel with the Chinese Government. Their own Representatives will be the first to appreciate the dangers in this direction, and to give them warning and advice. If even his instructions do not direct him to make these difficulties understood at the foreign Courts to which he is accredited, he can scarcely fail, in the performance of his duty, to point out that these are the practical questions and the difficulties which long acquaintance with the Chinese affairs and the people naturally suggest as subjects of deliberation, justifying some degree of hesitation and delay in the adoption of any great innovations borrowed from foreign nations. They are undoubtedly the first if not the most serious obstacles to any striking advance in the path of progress, otherwise plainly enough indicated as the one necessary to be taken for the internal prosperity no less than the external security of the Empire. If the way can be cleared of these preliminary difficulties by Mr. Burlingame's representations to the

Treaty Powers, he will render a most important service not only to the country but to the common interest of foreign Powers in relation with China. Free to adopt and supply themselves with all scientific appliances, with machinery, ships, and arms, employés and workmen from whatever country they are to be procured best and cheapest, wholly irrespective of origin and unfettered by national rivalries or jealousies, there can be no doubt that within a single generation China might be in a position of strength and prosperity which centuries will do little to effect without such extraneous aid.

It was only thus the neighbouring Empire of Russia achieved her present greatness among the nations of the Western and Eastern hemispheres, with a territory which now extends along the northern frontier of China for 3,000 miles across the whole breadth of Europe and Asia. In the year 1700, the Great Czar, Peter, determined to examine for himself the state of advancement in foreign countries and travelled with his own Mission *incognito* for the purpose of carefully observing in what way they were superior to Russia. Profiting by the knowledge thus acquired, immediately on his return he invited foreigners of all classes and nationalities to enter his service, taking care to choose men of practical knowledge and scientific attainments. Thus helped, he proceeded to create docks and arsenals, build ships on the best models, reorganize his army and navy, work mines by scientific procedures, establish manufactories, and endow schools for the education of his own people in all European arts and sciences. It was by these means that Russia made such rapid progress in the development of her vast resources. Native Russians were soon trained up in all the arts, capable of taking their part and aiding the Sovereign in the great work he had undertaken.

Thus were laid, not three centuries ago, the foundations of an empire, then in a state of semi-barbarism, which has gone on steadily increasing in strength and in wealth, until Russia has become one of the greatest Powers in the world. But although the public officers, the army, and the navy, are all Russian, yet in every branch of her administration throughout the empire able foreigners are employed, who supplement by their science and superior intelligence or probity, what may still be wanting among the native races. They are drawn, as occasion serves or Russian interests may require, from all countries indifferently, from Germany and France, from England and America, according to the will of the Emperor. Extensive lines of railroad and telegraph have been built up with foreign capital and foreign contractors.

It has derogated nothing from the dignity or the greatness of the Russian Empire that its Sovereigns have constantly profited by the science or the capital of foreigners in developing its resources. Nor has it even for a moment been to them a source of danger to their independence. No foreign Power has ever pretended to dictate to them in the choice of their foreign instruments, or prescribe conditions as to the proportionate numbers of any nationality in their service. Nor should this danger exist for China. Free from any doubt on this head, there seems no reason why China should not follow the example of Russia, and with like profitable results. Had the example set by the Emperor Hang-hsi, who invited and treated with great honour learned and scientific men from Europe, been followed all these intervening years, China might have been at the present day as independent of foreign aid as Russia is now, and quite as far advanced in the arts of war and peace.

Unfortunately, it would seem this was not done, and there is the more need now not to lose time in recommencing the work. But, to do it effectually, as Mr. Wade in his Memorandum of last year pointed out very clearly, China must be respected, and to be respected she must be strong of her own strength. To be strong, her rulers must rapidly develop and apply its resources: with such resources the Government will be able to protect the empire from all enemies, whether domestic or foreign. They will scarcely do this unless in the organizing of an army and navy they can find foreign officers worthy of trust, and, having secured their services, treat them with respect and consideration. Without rank and position it is as impossible for foreigners as for Chinese to obtain the necessary influence over their men, or to command them with effect. How all this is best to be done, and in the shortest possible time, it is the proper business of the Imperial Government to determine, with such friendly counsel or aid as they may be disposed to seek. In the meantime against acts of aggression or undue interference and dictation, China will now have a guarantee they have never had before in a Representative with the Treaty Powers capable of fully understanding and rightly asserting the incontestable rights of a Sovereign State, according to the law generally recognized in the comity of civilized nations. And the publication of diplomatic correspondence with foreign Powers gives an appeal from one to the collective sense of all in matters of international concern.

This, it is true, has not always sufficed in the history of the world to prevent wrong or spoliation. "Le droit du plus fort" will sometimes prevail. The courage to defend and the strength to maintain a right can alone give absolute security. But it is not the

less in default of these a powerful collateral security which China cannot wisely dispense with, and has therefore done well to secure without further loss of time.

With these securities there is no reason, it may be once more repeated, why China should not freely avail herself of the services of foreigners of all nations in such degree and proportion as she may deem best in her own interest. Circumstances are clearly forcing the Empire into new paths. No longer isolated as in the past from Western Powers, which during the last three centuries have made giant strides in the arts of peace and war alike, China has much to do before she can hope to regain the superiority over all neighbouring nations she once could justly pride herself upon. Both Europe and America have in that period become near neighbours to China—nearer, a great deal, practically, than Turkestan or Thibet, or even Mongolia—a fact of immense significance.

This one change creates a necessity for many to meet the altered relations of the empire. It is the introduction of a totally new element of vast potency, affecting the conditions of its national existence. It points to the necessity not only for changes of corresponding magnitude and scope, but a certain amount of promptitude and boldness in adapting herself to a new life. This is an element never contemplated by the ancient sages and teachers held in reverence by the whole Chinese nation, and consequently could hardly be provided for in their lessons of wisdom. And yet, among the most revered of the ancient writings, there is one axiom which is not without application now. For Confucius taught that "when a system is exhausted it must be modified, that modified it will work, and that working it will endure." The present machinery of Chinese Administration is exhausted, and no longer fit for the work to be done. It requires modification to adapt it to a totally new order of wants. And the principle of action here indicated would in a few years even regenerate the country, infusing new life and vigour into the whole nation.

Even if those who are its rulers had still some lingering doubts of the wisdom of such changes, it must be evident that to stand still or to go back are equally impossible. Their only safety lies in progress, and the effort to keep pace with the constant motion and advance of the rest of the world. To stand still is to be trodden down and extinguished in the great march of nations and empires. The policy of the past was one of isolation and exclusion. The policy of the future, which it has devolved upon the Government of the present day to inaugurate, must of necessity be one of continually enlarging intercourse and relations, both political and commercial, with other countries; if for no other or better reason than the fact that there are foreign Powers who desire it, and are strong enough to enforce what they wish.

This may be one of those truths that cannot by any force of reasoning be made acceptable. But the some may be said of any other truths which, nevertheless, shape the destinies of both men and empires. And they are not the best friends of China who would keep her Government ignorant of what so nearly concerns her peace. It must be clear to his Highness and the Members of the Yâmen, who from their position have such matters constantly under consideration, that the future of the Chinese Empire is in a great degree dependent on the domestic and foreign policy its Government may now adopt. That the necessity for immediate action should arise during the minority of the Emperor is probably unfortunate, and a legitimate subject of regret to his advisers on whom the responsibility of a decision falls. But it is vain to hope that all progress can be stopped for a series of years until the majority of the young Emperor is declared. The more powerful Governments of the West have most of them important interests in the country to maintain and protect from injury. And those interests, as the Tsung-li Yamên knows, are so damaged and jeopardized by the prevalent disorder in the provinces, and by the seeming inertness of the Central Government in repressing with a strong hand the frequent and persistent violations of Treaties by the provincial authorities, that forcible intervention cannot fail to come, if the Imperial Government does not promptly find means of its own to apply an effective remedy.

It is said in the West that a man is only master of his own liberty as long as he keeps out of debt. And nations as well as individuals only retain perfect freedom from interference, and liberty to manage their own affairs, so long as they have no foreign obligations but those which they can meet. These unredressed grievances under Treaties which foreigners suffer are debts due by the Chinese Government, which is held responsible by the law of nations for all the acts of its officer and subjects. To leave them unsatisfied, therefore, is to place China at the mercy of the first Treaty Power which may lose patience, or otherwise see fit to enforce payment in full, and take better security for the future. This is the right of all Sovereign States by international law, and however much other nations might regret action being taken, or suffer in their interests by extreme measures, they would have no clear or absolute right to oppose it.

The better to avert so untoward a contingency it behoves the Chinese Government,

therefore, to turn without further loss of time to the consideration of existing grievances under which foreigners suffer, and remove the obstacles to the faithful observance of Treaty provisions. The Chinese people may have their causes of discontent also with their Government, but they have strong ties of interest and affection to bind them to the rulers of their own country; and they can better wait until time and effort set matters right. But foreign Powers have no such restraining ties, and will probably not wait for redress until it may be quite convenient to grant it. Time is required for great reforms in the administration of an Empire, with a territory as vast as China can boast, to be carried out; and it is well enough known that the re-organization of the various branches of the public service, civil, naval, and military, cannot be effected in a day, or a month even, in tranquil times, and still less when insurrection and disorder prevail in nearly every province. But it is not so clear that the Chinese Government cannot at once by a vigorous effort compel its own officials to obey orders and avoid all violations of Treaty provisions regarding foreigners within their several jurisdictions. Unless, indeed, the Central Government can do this, it ceases to exercise the highest functions of sovereignty, and loses all claim to respect and observance from foreign Powers. It ceases, in fact, to be a Government in the true sense of the term in ceasing to perform the proper functions of one. To maintain order and enforce its commands at least amongst those who hold their commissions from the Crown are both very essential conditions of existence to a Government. And as regards the last of these, failure must be fatal to its stability whenever foreign Powers are exposed to injury in consequence.

Now, what is the greatest of all grievances which foreigners in China complain of? Is it not the local taxations on trade by the Mandarins at the ports, and by the provincial authorities throughout the interior, contrary in many cases to their own law, and in violation of distinct Treaty stipulations in all? Under the head of leking taxes, and transit dues chiefly, but under an indefinite variety of names and pretexts, exactions over and above what by Treaty they are entitled to levy, amounting to from 7 to 100 per cent. of the original cost, are raised before foreign goods can reach the hands of the consumers in the interior.

The Memorial of British merchants at Amoy gives proof of this by a detailed list, which was annexed, of numerous articles entering into foreign trade, and of the taxes which had been actually levied upon each. These, in the language of the merchants, which is perfectly justified by the facts, were arbitrarily, not legally, levied in the beginning to the great detriment of their legitimate interests, and have since been increased from year to year until they have become prohibitive, paralyzing trade both native and foreign, checking industry, and bringing the foreign firms to bankruptcy, as well as spreading ruin and universal discontent among the natives.

Taitsu, the first Emperor of the Great Ming dynasty, wisely observed that "the bow-string drawn violently will break; the people pressed hard will rebel." And this is precisely what has been done by authorities who receive their seal of office from the Government. Numerous Memorials have lately been received from the different ports, and they all agree in strong complaints to the same effect.

That a policy of this kind is suicidal as regards the industry and trade of China, apart from any other dangers it may entail from the just indignation of foreign Powers, can hardly be denied. Trade is the mother of revenue, and to a people so eminently commercial as the Chinese, whatever checks industry and arrests the development of trade must act as a drought in the land, and tend to general distress. One great source of national riches is dried up, and the Imperial revenue must needs suffer proportionally. Trade is like the goose in the fable which lays golden eggs. Nourished and duly cared for it is a never-failing source of wealth; but in their unscrupulous greed and eagerness to enrich themselves at whatever cost, the officials have killed the goose. If the loss were theirs only, or that of the Imperial Government, whose fault it is, foreign Powers need not concern themselves with such proceedings. But, unfortunately, the losses suffered in consequence fall heavily upon the foreign merchant. It is difficult even to calculate the amount of these losses, but they are enormous from this cause alone; and they have been further aggravated by vexatious delays and restrictions in the transport of goods through the provinces, chiefly entailed by this vicious system of taxation, and the multiplication of barriers or stations for greedy officials. Nor is this all: the prohibitions to the shipment of rice and sugar from Formosa, and of beans and peacake from Newchwang to Che-foo and Shanghae by foreign ships, while no impediment was offered to the junks, have entailed further great losses. These embargoes were persevered in for more than two years by the local authorities in open disregard of Treaties, and the express order of the Government at Peking. And as regards Formosa, it is even yet doubtful whether all restriction has been removed from the shipment of rice, and the newly-created monopoly of camphor still exists.

The impediments of every kind that have been thrown in the way of foreign merchants sending their goods under transit duty-passes into the interior, or bringing to the coast Chinese produce through the provinces by the inland waters which are the highways of commerce in China, in their own cargo-boats, whether propelled by oar, sails, or steam, have helped to complete the ruin of a once flourishing trade.

That these grievances are real, that they are serious and susceptible of proof, cannot be questioned. That they have in all cases been persevered in against the spirit, and in most instances against the letter of the Treaty of Tien-tsin, and in spite of reiterated remonstrances from Consuls at the ports and the British Minister at Peking, the records of the Yamên and the Legation will show. All trade has been paralyzed, and has only been conducted at a heavy loss for the last two or three years. Nearly every foreign firm has within that period become bankrupt in consequence. Even the most wealthy houses which a few years ago could command immense capital of millions of taels have been reduced to utter ruin. A similar complaint is rife amongst the native dealers, though the Government at Peking may hear less of it. Both have lost, for notwithstanding the extraordinary rise in the prices of tea and silk, the margin for profit has entirely disappeared, and buyer and seller have both equally lost. Where has this large margin gone, since neither have gained any profits, but, on the contrary, suffered heavy losses? Into the pockets of Chinese Mandarins and officials of every class. The merchants, both foreign and native, have lost, and the Imperial revenue has not profited; but a swarm of rapacious officials have been allowed to grow rich and fatten upon the plunder of all who are engaged in trade.

In the meantime claims for compensation of corresponding magnitude are daily increasing. And however difficult it may be to estimate the amount, or equitably apportion indemnity among the sufferers, certain data exist in the extent of the trading transactions, as shown by the Returns of the Imperial Customs. In 1866 the foreign trade which paid duty at the Customs is shown to have been nearly 300,000,000 taels; and the duties paid to the Imperial revenue alone amounted to very nearly 9,000,000 taels. How much more was exacted in the interior it would be difficult to say; but according to all the information received, it must have been three or four times as much. This commerce gave employment to nearly 7,000,000 tons of shipping. Of this large trade 75 per cent. was under the British flag. Even these figures give a very imperfect idea of the amount of capital engaged, or the extent of the invested interests. The ships themselves represent a vast sum, and all the establishments in China and abroad, with the capital employed in producing the article of commerce, a still larger money value. All this has been worked at a loss for the last two if not three years, owing to the flagrant and persistent disregard of all Treaty rights and obligations by Chinese authorities.

However unwilling or reluctant Her Majesty's Government may feel to enforce the claims of their subjects for losses as incurred, they cannot be ignored or their settlement be indefinitely deferred. Such a day of reckoning must come, unless measures can be taken speedily to remove existing grievances, and in such a manner as shall hold out a fair prospect, by means of increased facilities to the merchants, of recovering, in great part at least, their lost capital.

What the difficulties of the Imperial Government may be in controlling the rapacity and arbitrary acts of their own officials in the provinces, the Tsung-li Yamên may know best. But that their hands must be kept off the trade of the foreigner is a necessity in the interest of peace. A creditor may be willing to wait a certain time, but not with his debtor's hand thrust forcibly in his pocket, and continually increasing the debt. In that case he waits no longer, but lets the law take its course to enforce payment. Some means must, therefore, be found without further delay of stopping all arbitrary levy of taxes, under whatever name or pretext these may be imposed, upon all staple articles entering into the foreign trade, and those that are justly leviable by Treaty, under the head of transit dues, must be collected in a way less obstructive and injurious to the merchant, and all undue interferences, against the spirit and intention of Treaties, with the transport of goods and produce through the provinces, must cease.

If transit duties on goods passing the provinces constitute a part of the fiscal system upon which the provincial administrations depend in part for their revenue, it may not have been wise to deprive them of this source in the first instance, by making the transit dues payable on goods in which foreigners have a *bonâ fide* interest enure exclusively to the credit of the Imperial revenue. And if such be the real state of the case, it may account for, without justifying, the persistent obstructiveness and rapacity of the officials in the provinces, and suggest the expediency of securing the transit dues for the provincial treasuries exclusively, thus giving them a legitimate interest in the development of trade. These are fixed by Treaty at $2\frac{1}{2}$ per cent. *ad valorem*, and there should be no practical

difficulty of an insuperable kind to the apportioning the same, if collected in trust under this head by the Maritime Customs in the first instance, to the several Provincial Treasuries entitled to receive it, whether for foreign goods passing into the interior to a place of consumption, or on Chinese produce to the place of export.

The details of such a scheme might be arranged here at Peking with the assistance of the Inspector-General of the Imperial Customs, Mr. Hart, a Chinese mandarin acquainted with provincial finance and administration, and one of Her Majesty's Secretaries of Legation. These might be named at once as Commissioners for that purpose and other similar objects hereinafter to be mentioned.

As this arrangement, however, if carried out both promptly and satisfactorily, would offer no compensation for all the losses wrongfully entailed on foreign trade for a series of years by the acts of Chinese authorities (apart from claims for specific sums already filed in individual cases, and either in whole or in part admitted to be due to separate claimants, which must be paid in any case if found to be sufficiently substantiated), it would be necessary, therefore, in order to deal satisfactorily with the more general claim for a large indemnity, to meet it in an equitable spirit by certain concessions; concessions which, while they could not be strictly demanded as a right under existing Treaties, might nevertheless be of a nature to improve and facilitate trade to such an extent as would make those who have hitherto suffered, willing to forego all further claims to compensation for past losses. It may be quite possible to devise concessions which should be undoubtedly advantageous to the merchants, and yet at the same time neither entail outlay on the Government nor injury to the Imperial revenue, but rather tend to the benefit of both, as well as of the population at large. In such a case it would not be too much to hope that they would be as unreluctantly as they might wisely be granted.

The right to demand a revision of the Tariff and Commercial Regulations accrues by Treaty to the British Government alone, in June of next year. But if the following concessions were spontaneously made now in conference with the British Minister, no such revision would be required, and he is persuaded none would be asked. And the adoption of any measures would undoubtedly be greatly facilitated by the Chinese and British Governments alone being strictly concerned in the preliminary discussion of the necessary arrangements before execution.

The concessions referred to may be classed under the five following heads:—

1. The exemption of all foreign goods going into the interior, and of Chinese produce proceeding to the Treaty ports for export, from transit duty or inland tax of whatever kind or denomination, in consideration of a duty of 2½ *ad valorem* once paid at the shipping port; the proceeds to be remitted at stated periods to the several Treasuries of the provinces through which such goods or produce may pass, according to some fixed rule.

2. A modification of the maritime duties on ten or twelve articles which experience has shown bear injuriously on trade, and without benefit to the revenue.

3. Facilities of transport through the interior by a recognized right of foreign merchants to carry their articles of commerce, whether foreign goods or Chinese produce in which they have a *bonâ fide* interest, in their own vessels, whether propelled by oar, sail, or steam under Custom-house papers, and with proper securities.

4. The power to land goods or take produce at certain landing-places between Hankow and Chinkiang, such places to be fixed by the Chinese Custom-house authorities.

5. Bonded warehouses at such of the Treaty ports as the majority of the resident merchants may consider it desirable in the interests of trade should be established.

This proposition is made by the British Minister in the interests of China, as he firmly believes, no less than in that of Great Britain. And it is earnestly pressed upon the consideration of His Highness and the members of the Tsung-li Yamên in the hope that a quick and favourable answer may enable him, before Mr. Burlingame can arrive in England, to inform Her Majesty's Government that all the most serious causes of complaint and loss are in process of removal, and such increased facilities for trade voluntarily granted as will go far to compensate for past losses.

Other causes of complaint are not indeed wanting, affecting both the status and the interests of British subjects in China, but they have not been here enumerated, in the hope that with improvements in other directions these will also disappear. The absence of a mercantile code and definite mode of procedure in civil cases, together with an international tribunal for the decision of civil suits where Chinese subjects are the debtors or defendants, the judgments of which it would have power to enforce, is much felt;—and, beyond all doubt, large sums are lost annually by British subjects unable to recover just debts or property of which they have been either robbed or defrauded. But this involves questions of great difficulty, and less susceptible of immediate settlement.

In conclusion, it is hoped these remarks and suggestions will be received by His

Highness and the Ministers in the spirit in which they are offered, which is one of conciliation and good-will. It is not possible to treat of long-protracted evils, entailing so much loss and injury, without a certain degree of frankness and plain-speaking if any good is to result. But it must be the earnest desire of every friend of China, and she has many well-wishers among foreigners, that the country may enjoy all the blessings of internal peace and prosperity no less than continued peaceful relations with other States. Great Britain especially has no interest or desire opposed to these. On the contrary, Her Majesty's Government would gladly contribute by any means in their power to further and promote such desirable ends. However opinions may differ as to the best means, in the present troubled times, of securing them for China, the independence of the Empire and the development of its resources are objects of solicitude, it may safely be affirmed to more than one of the Treaty Powers, if not to all. And if good faith be shown in the execution of Treaties, and the removal of plain causes of complaint, such as have been above detailed, there will be a common interest in friendly aid and co-operation which may remove a thousand difficulties, and avert many dangers not otherwise easily met.

No. 34.

The Secretary to the Belfast Chamber of Commerce to Mr. Hammond.—(Received March 9.)

Sir, *Belfast, March 6,* 1868.

I AM instructed to acknowledge the receipt of your letter of the 10th January on the subject of the Treaty of Commerce with China, and handing an extract from the Tariff showing the duties on linens plain or mixed with other materials.

The Council of this Chamber do not wish to suggest any further changes in the present Tariff.

I have, &c.
(Signed) SAMUEL VANCE.

No. 35.

Mr. Hammond to the Secretary to the Board of Trade.

Sir, *Foreign Office, March* 10, 1868.

I AM directed by Lord Stanley to acquaint you that a communication was addressed to the Belfast Chamber of Commerce in the terms suggested in your letter of the 8th of January, with regard to the duties imposed by the China Tariff on linens; and I am now to state to you, for the information of the Lords of Trade, that a letter has been received from the Chamber stating that they do not wish to suggest any further changes in the present Tariff.

I am, &c.
(Signed) E. HAMMOND.

No. 36.

Sir R. Alcock to Lord Stanley.—(Received March 23.)

My Lord, *Peking, January* 22, 1868.

REFERRING to my despatch of the 31st of December last, I have now the honour to inclose translation of a semi-official note which has passed between the Tsung-li Yamên and myself. Your Lordship will be glad to see that my suggestion for the appointment of a Mixed Commission to devise means for securing a more prompt redress of commercial grievances, and giving increased facilities to trade, has been cheerfully acted upon by the appointment of the Commission asked for, and the nomination of the Chinese members. On the part of the British, I have appointed Mr. Fraser, Second Secretary to Her Majesty's Legation, a member of the Commission, to act under such instructions as I may find it necessary to furnish him with from time to time.

The general scope and object of the Commission have been already distinctly enough defined in my "Note;" and although I am unwilling to encourage very sanguine expectations as to the results which may follow, having some experience of the various obstacles which stand in the way of all improvement and reforms in this country, I feel confident, never-

theless, that something of practical benefit will be secured. The disposition of the Yamên is favourable to progress in this direction. I am well satisfied of this from evidence to which each day adds seme new item. Many changes, for instance, have lately been announced in the "Peking Gazette" among the higher ranks of officers holding provincial appointments; and the general tendency of these has been to move the men manifesting obstructive and retrograde opinions far away to the western provinces, where they can do no mischief, and never come into contact with foreigners or their interests, and to replace them by officers who have given evidence of more progressive ideas and good-will. I hear indirectly, but on good authority, that the Taoutae at Chin-kiang (who is a brother of the Secretary to the Yamên lately appointed to the Mixed Commission) has consented to arrangements being made for the opening and working of the Chin-kiang coal-mines. If this be so, the advance from such a step to the employment of foreign machinery and direction may be anticipated as in all probability not very distant. Again, as regards the coal-mines at Chaitang, some forty miles west of Peking, the Yamên has expressed a willingness to improve the means of communication, and make a good cart-road from the mines to Tien-tsin to facilitate the transport of coals for the shipping.

Mr. Henderson, a merchant at Tien-tsin, has just returned from these mines, and reports that there are some as good as any Newcastle Wallsend; and a good road, for which there is abundant material in the vicinity, is only wanted to make the supply for shipping practicable and profitable. If the Yamên can be induced to employ a foreigner to engineer and superintend the construction of such a road, that may prove the initiatory step either to a tramroad or a railroad from the mines to the coast, which has often been advocated, and, by a loop line, linking Peking itself to the port. The capital might then get up all its supplies of grain from the outer port, with an enormous saving of expense and time. This as always seemed to me the most promising ground for a first essay. In every direction, indeed, I think I see encouraging evidence of a desire to move forward, and place the Chinese nation and its Government more in harmony with the outer world.

In enumerating the principal objects which should engage the attention of the Commission here, I purposely omitted specifying the institution of an international tribunal for the decision of civil cases between foreigners and Chinese, although I referred to the need of some better means than at present existed for securing justice. I have since been given to understand that the Yamên are by no means indisposed to allow this matter to be taken into consideration, with a view to some satisfactory arrangement.

I think there is fair ground of hope, therefore, that in the present state of affairs important ameliorations may be effected through the labours of the Commission about to be inaugurated. More especially as your Lordship will have observed, I proposed that their labours should be limited to certain practical and definite ends within the scope of the Treaty, and in connection with specific grounds of complaint arising from the violation or non-execution of particular Articles, notably the removal of all exactions, restrictions, and obstructions to trade, contrary to the letter of Article XXVIII, in which it is expressly stipulated that it shall be "at the option of any British subject desiring to convey produce purchased inland to a port, or to convey imports from a port to an inland market, to clear his goods of all transit dues by payment of a single charge; on payment whereof a certificate shall be issued exempting the goods from all farther inland charges whatsoever."

Nothing can be clearer as to right of exemption from farther charges; and nothing can be more certain than the persistent and open violation of this stipulation, first, by duties levied at the ports under the head of "leking" taxes and town dues; and, secondly, by numerous transit and inland taxes *en route* through the provinces to or from the ports, and affecting alike foreign goods and Chinese produce for the foreign market.

In proposing the authorization of inland navigation for steamers or boats under a foreign national flag, for the transport exclusively of foreign goods or Chinese produce in which foreigners have beneficial interests, I have demanded it, not so much as an independent concession, as a measure which long experience and knowledge of the provincial administration has shown to be necessary, to supplement the original grant and give practical value or effect, needful, in a word, to secure its fulfilment. It is the necessary complement of the Article as it stands in the Treaty, without which it must always be illusory and void.

The best means of practically securing this exemption, which exists of right, from all taxation of foreign goods on their way to the place of consumption, and of all Chinese produce in which foreigners have a vested interest on their way from the place of production to the port of shipment, it is for the Commission to devise; but, whatever these may be, the right of transport by the foreigner of his goods or produce under the

protection of his own flag must, I am convinced, be one. No other means will avail to neutralize the persevering and unceasing efforts of the provincial authorities to levy taxes, all Treaties and orders from Peking notwithstanding. The leking and local dues of all kinds at the ports must first be abolished, and security taken, in the next place, against their reimposition in some other form, and, indeed, from all taxation inland. The trade once relieved from these burdens and obstructions, the most serious of the drawback, and obstacles to its free development will be removed, and the greatest of the merchant's grievances redressed. I look upon this as by far the most important object of the Commission. If, in addition to this, the Chinese Government be willing to concur in the constitution of a Mixed Tribunal, with some definite Code of Commercial Law and procedure, and adequate power to carry out its decisions and enforce judgment on the Chinese appearing as defendants, the most essential wants of commerce will have been met.

A right of residence in the interior for purposes of trade, the privilege of working mines, and the creation of railroads and telegraphic lines, however valuable as aids to the free development of commerce, are not Treaty rights, neither are they to be classed among the privileges essential to profitable commercial intercourse between nation and nation. Finally, such privileges cannot be claimed, irrespective of political considerations governing the relations of Western Powers with China, inasmuch as their fruition would inevitably demand a serious modification of the present Treaties, and more especially of the clauses granting exterritoriality to foreigners, and thus change the basis of existing international relations. It is in any case not within the province of Her Majesty's Representative here to undertake a task of this nature, or to propose any fundamental change in our Treaty relations on his own authority. If I can free the foreign trade with China of some of its most injurious restrictions and burdens which are in violation of Treaty, and obtain certain increased facilities of traffic and transport, in accordance with the object and spirit, if not the letter, of the Treaties, such as are included in the last four propositions of my note, I shall be well satisfied; and the merchants most interested may, I conceive, wait without hardship until Her Majesty's Government shall see fit to take any action for the attainment of ulterior objects of wider bearing, and involving changes which have a distinct bearing, of a political character, on the international relations hitherto established with China.

I have, &c.
(Signed) RUTHERFORD ALCOCK.

Inclosure in No. 36.

The Tsung-li Yamên to Sir R. Alcock.

(Translation.)

THE members of the Tsung-li Yamên have to acknowledge the receipt of a note from Her Britannic Majesty's Minister, which they have carefully perused.

In accordance therewith they have now appointed Mr. Hart the Inspector-General of Customs, together with Hsia and Ts'ai, two of the Secretaries of the Yamên, to meet and confer with the Secretary of Her Britannic Majesty's Legation who may be appointed by the Minister. They will write further and fix a day on which the first session of the Commission will take place. Compliments. Cards.

January 19, 1867.

No. 37.

Sir R. Alcock to Lord Stanley.—(Received March 23.)

My Lord, *Peking, January* 22, 1868.

SINCE writing my despatch of the 31st December, I have received one more Memorial from the mercantile community at Che-foo, in which, among other things, I see they desire it should be made a free port. As it will no doubt be in print by the time the courier taking this reaches Shanghae, I have directed Mr. Winchester to obtain a printed copy for the inclosure.

I have, &c.
(Signed) RUTHERFORD ALCOCK.

Inclosure in No. 37.

Memorial by the Che-foo Residents.

To Chaloner Alabaster, Esq., Her Britannic Majesty's Vice-Consul, Che-foo.

Sir, *Che-foo, December* 23, 1867.

WE now have the honour to lay before you a statement of the changes in the Treaty of Tien-tsin which we deem advisable to be made, when its revision takes place, and we shall feel obliged if you will forward the same to his Excellency Sir Rutherford Alcock, for his consideration.

The maintenance and development of the spirit of the Treaties existing between our Sovereign and the Emperor of China appears to us to be the chief desirable aim in any revision of them that may take place.

Before the Treaty of Tien-tsin was signed, British subjects in China were at a disadvantage in nearly every branch of trade, and in their intercourse with the natives of the country, owing to the unjust interference of the Mandarins and the assumed right to exclude foreigners from the interior of the Empire.

The war and consequent Treaty were intended to remove all these obstacles for the future, and though the language of the Treaty was most considerate to the Chinese Government, its spirit and meaning were to make the relations of British subjects with China in every respect as advantageous and favourable as possible.

The Treaty was not a plan or proposal of the Chinese in order to define certain limited concessions to us, but an acknowledgment of our demands to get the basis established of future communications between British subjects and them. Although the Treaty is a joint agreement, it is eminently our work, and as such ought to bear our interpretation. It represents our just claims and principles, admitted tardily and even reluctantly, but irrevocably, by a vanquished assailant who had presumed to question them.

The only revision of the Treaty justifiable, therefore, either by its origin or the circumstances under which it was agreed to, is the still more full and entire development of the principle that British subjects have acquired a right to trade at the ports in this country without the embarrassment of illiberal and vexatious Customs regulations, and without being impeded from carrying on peaceful commerce in all other parts of its public territory.

No infringement of the rightful sovereign prerogatives of the Emperor of China can be ascribed to such demands, for they are admitted by other more powerful Sovereigns in the world without derogation to their dignity. The only momentary question that may be raised against admitting them is a doubt of their expediency; but if this is weighed against the inexpediency of acquiescing to the contrary of what every one but the Chinese deem reasonable, they will soon be found to be necessary in carrying out the spirit and principles of the Treaty.

We hope therefore that, in the revision of the Treaty, the first principle to be adopted as the touchstone of all deliberation will be to secure the most ample freedom of trade, industrial enterprise and intercourse for British merchants throughout all China, and to demand material guarantees that the Chinese shall fulfil all their engagements towards the British nation.

Statement of Charges referred to.

Article VIII. All laws imposing duties or observances on Chinese subjects incompatible with the commands or usages of the Christian religion, to be abolished, so that every Chinese who becomes a Christian will, *ipso facto*, be relieved from complying with any heathen rites or ceremonies that may be deemed wrong by the Christian communion to which such Chinese belongs.

Article IX. The Chinese Government should remove all restrictions on trade with Corea by sea or land, and admit Corean produce at moderate duty.

Article XXV. Import duties to be allowed to remain unpaid until each parcel of goods is cleared from importers, godowns; same to be under joint lock of the officers of the Chinese Government and importers. Said goods to be delivered or stored in any quantity that importers may require at any hour of the day from 6 A.M. till 6 P.M. A sufficient quantity of each parcel of goods to be retained in godown to cover amount of duty due till same is paid. Importers to have the option of paying the duty on landing the goods or afterwards as they are sold, in which case the Chinese Government to have no hold on them. Regarding bonded warehouses it would be an injustice to the interests

of those merchants who have premises for storing goods should they be obliged, in order to avail themselves of the bonded system, to place their merchandize where they would have to pay rent. In case bonded warehouses are established, merchants having godowns should be allowed to have them considered as such, subject to the Government supervision.

Article XVI. Offences against British subjects to be tried by a Mixed Court, in which the British Consul shall have equal power with the native judge, and when Chinese laws or criminal procedure are inadequate to convicting or punishing criminals, then British law and practice, at the option of the Consul, to be adopted.

Article XVIII. Chinese Government to compensate for all robberies by rebels and for destruction of property caused by them, and to punish all robbers or disorderly people as the Consul may require.

Article XXI. Chinese offenders to be delivered up to remain in joint custody of Consul and Chinese, and only on strong evidence of guilt, as in cases of extradition in Europe.

Article XXVIII. Transit duties to be only levied at ports, on goods sent into the interior by foreigners at their option, in lieu of all Mandarin taxes. Chinese Government to have no right under the Treaty to tax goods sent into the interior by natives to extent of half the Tariff duty as at present they claim at this port. Measures to be taken to prevent any Mandarin squeezes or taxes on British goods during their passage through the country to the place of consumption.

Article XXIX. Tonnage dues to be paid once every two months at the rate of one mace per ton, irrespective of size of vessels.

Article XXX. Time for exemption from tonnage dues to be indefinite in the case of vessels arriving at a port seeking freight, and leaving it unchartered, and of vessels not breaking bulk and leaving with original cargo.

Article XXXII. A lighthouse should be erected on Shantung Promontory and also on one of the Miatow Islands. Wharves to be built at suitable places for the accommodation of the public in landing and shipping cargo.

Article XXXIII. Duties to be paid in the ordinary current market money of the port.

Article XXXIV. All peas, beancake and other native produce usually sold by weight to be sold by the picul of 133$\frac{3}{4}$ lbs., and the Consul to be empowered to enforce such custom.

Article XXXVII. No fine to be levied for making an incorrect manifest, provided the captain or consignee of the vessel declared on oath, or as otherwise provided by British law, that such incorrectness was not with any intention to defraud the revenue.

Article XXXIX. Permits to land or ship cargo to be given when applied for from 8 A.M. till 6 P.M. for sailing vessels, and from 6 A.M. till 6 P.M. for steamers. Steamers to be allowed to load same from 5 A.M. till midnight, on condition that said cargo has been previously paid duty on, examined, and placed in godown or boats under the seal of the Chinese Government. Cargo to be allowed to be discharged from steamers into cargo-boats or godowns under the seal of the Chinese Government after regular hours, without payment of fees to tidewaiters as at present. Measures to be adopted for quickly examining goods on board steamers only staying a short time in port, or a proper examination-shed to be provided for passing cargo; duty-free goods to be allowed to be landed from and shipped on board vessels without permits, only, however, when the vessels' papers have been lodged with the Consul.

Article XL. Cargo to be transhipped from one vessel to another without it being necessary to go to a wharf for examination. An officer of Chinese Government to be put on board to examine it.

Article XLII. The value of goods paying an *ad valorem* duty not to be taken at the highest price at which any of the merchants called to look at them would be willing to purchase them, unless the owner has the right to enforce the Chinese Government to buy the goods at that valuation; otherwise the lowest valuation to be assumed as the value. The Consuls to have the same power as the Superintendent of Customs in the arranging of disputes between British merchants and the Customs, and in cases where they cannot agree a Consul of another Treaty Power to be called in as arbitrator. Appeals to be made to the Consuls within a week after a dispute arises, otherwise not to be attended to.

Article XLV. Foreign grain to be allowed to be re-exported without hindrance. Drawbacks in duty-paid imports that have been re-exported to be paid in money, and in the case of goods that have been imported at one port, and sent coastwise under exemption certificate to another port and re-exported thence, drawback to be paid at the port from which they have been re-exported.

Article XLVI. Local rules and regulations that may be required for the protection of

the revenue to be drawn up conjointly by the Consul and Superintendent of Customs, in the framing of which the Consul's sanction shall be necessary for their validity. The British merchants at the ports to be consulted previous to the rules being drawn up. Every assistance to be rendered by the Customs in obtaining information as to the import and export trade of the ports, and particulars of the quantities and descriptions of each of the principal articles daily exported and imported to be exhibited for the public benefit in the Customs offices.

Article XLVIII. Whenever a vessel shall be seized or detained on the plea that she has been concerned in the breach of Customs laws, &c., and it be afterwards proved that she has not been concerned in such act, the vessel shall be returned to the owners, and the full value of the ship in addition to be paid to them for such detention or loss that may arise on account of such seizure, or a stated amount to be paid as compensation at Consul's option. The same rule to apply to goods illegally seized.

Article LIII. Tonnage dues to be entirely appropriated for the purchasing of gun-boats for the putting down of piracy, and for the erection of lighthouses, signal stations, appointment of harbour-masters, and other improvements at the ports for the public benefit.

All coal to be duty free, whether exported or imported, and to be supplied to steamers without the necessity of obtaining permits.

All restrictions on the trade in salt to be removed.

As the foreign Customs system is not put in force on the Russian frontier, Russian trade in woollens and other goods to a considerable extent has consequently an advantage over British commerce in being exempt from Customs supervision. Measures should therefore be taken to put British and Russian merchants on the same footing in this respect.

Permission to be given to work coal, iron, copper, and lead mines, on payment of a moderate royalty, also to construct railroads and telegraphs.

As the port of Che-foo is the only northern port free from ice during the winter, and will at no distant day become the central depôt for the trade of the north of China and the Corea, it would greatly facilitate British commerce in China if Che-foo were made a free port; and as it seems particularly adapted for the purpose and would inflict no injury on the Chinese revenue, we suggest that means be taken to induce the Chinese Government to declare it such from 1st January, 1869.

The term "export duties" in the Tariff has been warped to signify duties on goods taken from one port of China to another. According to its natural meaning the word "export" means goods sent abroad to another country. The exports of England are not the products of the country sent from London to Sunderland, but from English ports to places abroad. The present interpretation placed on exports from China was to favour the native Government at a time of great trouble from rebels, and hence the coast trade duty. The Treaty gives no right whatever to levy a coast trade duty, and we therefore suggest its being abolished, and that export duty be levied only on goods sent from China ports to other countries.

We trust that in offering these suggestions in compliance with your request to be informed of the views of British merchants at this port, on the revision of the Treaties, a great extension of free trade may result from our contribution to the general demand from all British merchants in China, that this empire may be opened thoroughly to our trade in conformity to the spirit of existing Treaties.

We have, &c.

(Signed) FERGUSSON AND Co.
WILSON, CORNABE AND Co.
MEADOWS AND Co.

No. 38.

Consul Winchester to Lord Stanley.—(Received March 23.)

My Lord, *Shanghae, February 5,* 1868.

I HAVE the honour to inclose copies of a Circular which has been addressed to the Chambers of Commerce in England as a covering letter to the Memorial on the approaching revision of the Treaty, addressed by the Shanghae Chamber of Commerce to Sir R. Alcock. It recently appeared in the public prints, and copies have been obligingly furnished to me by the Secretary to the Chamber.

I have, &c.

(Signed) CHARLES A. WINCHESTER.

Inclosure in No. 38.

Circular Letter to the Chambers of Commerce in England.

Shanghae General Chamber of Commerce,
Shanghae, January 24, 1868.

Sir,

IN handing you the accompanying copy of a Memorial on the subject of the revisio of the Treaty of Tien-tsin, which this Chamber has addressed to Sir Rutherford Alcock,* Her Majesty's Minister at Peking, the Committee are desirous of drawing attention to those points which are of the most urgent importance in connection with the trade between Great Britain and China.

The most essential questions which the Chamber has urged upon the consideration of Her Majesty's Minister are the *bonâ fide* admission into the country of English manufactures, and as connected with this, the right to reside in the interior for purposes of trade, and the employment of adequate means of communication.

The portions of the Chamber's Memorial bearing upon these subjects, the Committee particularly recommend to your notice.

The liberty to reside in the interior of the country, and to open business premises there after being, as the Chamber holds, accorded by the XIIth Article of the Treaty of Tien-tsin has become of no avail from the very limited interpretation subsequently given to the clause conferring the benefit; while the chief object of the Treaty has been further frustrated by the virtual exclusion of foreign manufactures from the greater portion of the population. Denied the privilege of himself introducing the goods in which he deals among the people, or even of facilitating their introduction by improving the system of carriage; the British merchant finds his market limited to a narrow area around the open ports by the imposition on various pleas of prohibitive duties, and even that within the foreign settlements themselves heavy taxes prevent the legitimate development of his trade.

As stated in the Memorial, after the payment of $2\frac{1}{2}$ per cent. in commutation of transit dues, a piece of cotton goods, costing the equivalent of 16*s.* 2*d.* in Shanghae, is taxed no less than 2*s.* 2*d.* before reaching Soo-chow, eighty miles distant, and the effect of this tax may be estimated by comparing it with the whole expense of carriage and charges by foreign steamer to Hankow, 600 miles from this port, which amounts only to $3\frac{1}{2}d.$ A Table given in the Appendix to the Memorial shows the duties levied upon foreign cottons and woollens within the Settlement of Shanghae, and every one of which exactions the Chambers argue are contrary to Treaty, and would cease to exist if Her Britannic Majesty's Minister energetically protested against them.

The suggestions which the Chamber has made with reference to these subjects are—First, that liberty to reside in the interior under license from the Consul at the Treaty port be clearly defined. Secondly, that the establishment of better means of communication be permitted. Thirdly, that no local taxes in excess of the Tariff be levied without the express sanction of the foreign Ministers. Fourthly, that transit dues should be collected by the local officials in the country, in lieu of at the Custom-houses of the open ports.

The objects of the first three suggestions are apparent, the last would in the Chamber's opinion tend greatly to the benefit of free traffic with the interior, where the local officials, according to custom, look to taxes upon produce bought or sold in their districts as a means of revenue. At present they have no immediate interest in encouraging foreign trade, unless they can collect dues in excess of the Treaty stipulations, as the $2\frac{1}{2}$ per cent. transit duty is not payable to them, but to the Customs at an open port; but if the recognized duty were payable at the market in which exports are bought or imports sold, a powerful inducement would be held out to the local authorities to promote an interchange of products.

The Chamber has advocated the removal of the restriction on the importation of salt, without interfering with the present monopoly of the Chinese Government in its sale. Under Appendix D of the Memorial will be found some practical suggestions as to the means of introducing the traffic, of the ultimate importance of which there appears little doubt, in view of the great superiority and low price of foreign salt, compared with that now prepared in China. In addition to the advantages that would thus be gained by the English salt proprietors, an impulse would be given to shipping by the employment of numerous vessels in a new carrying trade.

Past years' experience of the working of the Treaty has shown rather the necessity for a watchful and firm policy in its application than the want of any essential modification

* See Inclosure 2 in No. 21.

in its plan, and the Chamber has especially solicited the consideration of Her Majesty's Government to this point in its Memorial, and also recommended, as a requisite means to the adequate representation of mercantile interests in this country, the frequent presence of the Chief Superintendent of Trade at the centres of commerce. A recent visit of his Excellency the British Minister to the various open ports has been productive of highly beneficial results, and it would indeed be greatly to the advantage of British commerce if the Superintendency of Trade were established permanently at Shanghae, where the chief part of the business between the two countries is conducted, which might possibly be accomplished by some remodelling of the present Consular establishment. Remote as the Court is, questions which must continually occur affecting the relations between the natives and British merchants frequently remain undecided for a lengthened period, to the great detriment of trade. A striking instance of this difficulty is detailed in the Chamber's Report for the past year, a copy of which is inclosed herewith. For two whole years a flourishing carrying trade between Newchwang and Shanghae was destroyed by illegal obstructions, which would not have remained a single day unremoved but for the necessity of a reference to Peking.

On the use of the coming opportunity for placing our commercial relations with China upon a firm and well-defined basis depends the prosperity of our future trade, and the Chamber believes that to the influence of public opinion in England, and the co-operation of those interested in Eastern trade, will be due in great measure the main advantages which may be gained from the occasion.

Eminently a trading people, the Chinese would require little encouragement to avail themselves fully of the advantages of foreign commerce, which there can be no doubt would have more largely increased during the years in which the present Treaty has been in force, had its provisions been faithfully observed by the governing classes of this country, and the enterprises of commerce found that support from the Representatives of Western Powers at the Court of Peking which was expected as a result of the right of residence at the capital. Removed from any contact with foreign merchants, and the influence of public opinion, the Foreign Ministers become in a measure advocates of Chinese exclusiveness, rather than of the extension of foreign trade, and the result of such views can only be obviated by the urgent representations of all the Chambers of Commerce in England. The Committee therefore request that your Chamber will press the whole subject upon the consideration of Her Majesty's Government.

I have, &c.
(Signed) G. TYSON, *Chairman.*

No. 39.

Sir R. Alcock to Lord Stanley.—(*Received March* 30.)

My Lord, *Peking, December* 31, 1867.

WHEN the Memorandum on the present condition of China, inclosed in my despatch of the 15th of November, was drawn up, I believe no one in Peking knew that the Chinese were on the eve of a resolution which would materially change the general aspect of affairs and their relations with foreign States. Not that the despatch of a Mission to Europe is in itself calculated to effect any immediate improvement, either in the internal administration of the Empire or the execution of Treaties. But the policy which dictated such a measure, once initiated, cannot fail to lead to many other steps, and some, at least, in this direction. Dislike to innovation, as such, coupled with the fear of its possible but unknown sequences, has hitherto been one of the greatest obstacles to progress; and this impediment, so far as those now at the head of affairs are concerned, must be held in process of removal. It still remains, however, strong and erect in the hearts of the people.

The prejudices and habits of thought, as well as the fears of the great bulk of the nation, are all opposed to innovation; and in no class so strongly marked as with the "literati and gentry," of whom so much is heard in China. They represent the educated and official classes throughout the Empire. All the expectants and aspirants who have taken their first literary degree—the primary qualification for office; all who have retired from the public service, dwelling for the most part in their native places, where their influence is always considerable, enter into the same combinations. It is to these two sections chiefly, aided and abetted, no doubt, by those actually in office, that the effective opposition to the residence of foreigners at Chao-chow-foo may be traced. The three together represent the educated opinion of China; and, brought up in the same ideas, sharing in the same feelings, and with a great identity of interests, they are all hostile to change.

It is their opposition which has now to be overcome, with such means as a weak and enervated Government can bring to bear. From them have come the blind and ignorant opposition to the execution of Treaties, and whatever hostility to foreigners has ever been manifested by the populace. The Central Government at Peking is well nigh powerless in any matters opposed to the prejudices and interests of these classes, when united, and animated by an *esprit de corps*, which is in itself a great element of strength. They mutually support and shield each other in all conflicts with the Government where foreign interests are in question; and the struggle will necessarily be long, because the governing classes and the whole public opinion of a nation cannot be either put aside as a thing of no account, or their actual services dispensed with. They must be won over, therefore, in the interests of Government and of order, since they cannot be put down or coerced. The expectant and the superannuated classes, not under the direct control of the authorities, can excite popular tumult, and by other means overawe and control the latter.

It is seldom that a great gathering of the candidates takes place for examination without some disturbance; and the authorities always look upon such seasons with a sense of alarm and insecurity. In all matters where foreigners are concerned they are especially feared, because in such cases the ignorance and provincial prejudices of the lower classes can always be successfully appealed to by those who know how to play the part of demagogues under a cloak of patriotism.

Whatever may be the practical difficulties, however, the present Administration has not only begun to see, but publicly to avow, the necessity for change, and a total departure from old ways and antiquated forms, as the first condition of success in any efforts to carry out Treaties. And in so bold an innovation as the despatch of a foreign Mission, they have no less unmistakeably and publicly proclaimed the necessity of placing their relations with foreign powers on a more satisfactory footing. The urgency of the demands made upon them for the removal of many grievances suffered at the hands of the provincial authorities—too often in collusion with the literati and gentry—has opened their eyes to the necessity of correcting such abuses, if they would deprive foreign Powers not only of plausible pretexts, but legitimate grounds for interfering between the Emperor and his own subjects, and in the affairs of the Empire generally. And the first condition of success in the reform of such abuses, as in the observance of Treaties, they also see must be the courage to innovate.

Therefore I see in the Mission hope of improvement, and a material change in the whole aspect of affairs. That the obstacles are many and difficult to be removed, and that time and effort will both be required before any notable results can be obtained, are evident truths which it will behove foreign Powers to keep well in view in determining their own policy in China. Too much must not be expected at once. Trade so completely prostrated and paralyzed as it has been recently, and not in China alone, cannot recover very quickly; and insurrections will continue and flourish, as they always do under a weak Government.

But it is encouraging to see a ray of hope enliven a prospect which has long been very dark and obscure. A good Government or administrative system is not to be built up in China without much delay, many disappointments and shortcomings. And until the work is done, there can be no complete execution of Treaties in the interior. In the meantime it should not be forgotten that the party now at the head of affairs has just given a proof of boldness and energy which is full of promise for the future. It is the party of the best and most advanced minds of the country, and although the best Chinese may not be very good and cannot be expected to be very good in the arts of Government, it is to them alone we can look for any progress or improvement.

To avoid dictation and intermeddling on the part of foreign Governments, mortifying to the pride of Chinese, those who are now at the head are willing to attempt, and to risk much in the way of reforms and innovations affecting their whole system of Government and administration. They have seen that violations of Treaty and foreign interference are inseparable, and constitute a state of things full of danger to the integrity and independence of the Empire. They do not forget that thrice within a quarter of a century it has been overrun by foreign armies, and the Emperor compelled by force to sign Treaties each more onerous than the one preceding, and afford the redress refused with a blind persistence to more peaceable efforts. The body of the literati and officials, it is true, remain utterly impracticable. On them the bitter lessons of experience have taken little effect. They continue now as in the beginning, unamenable to reason and deaf alike to remonstrance and persuasion. They will yield as heretofore only to force or the immediate fear of its employment. Yêh, the ill-fated Governor of Canton, was the very type and embodiment of his class, and for aught we know to the contrary, not even his imprisonment and exile to the land of the barbarians served to enlighten him as to the imbecility and folly of his

official action. Exactly in this spirit are acting the authorities with their coadjutors, the literati and gentry, at Chao-chow-foo. Had the gun-boats dispatched this year, at my suggestion, to survey the river, been able to anchor off the walls of the city, it is probable that the opposition hitherto shown to the opening of the port to trade and the residence of foreigners would have ceased. Simply because those who excite it would have seen that force could be brought to bear, and concluded that the appearance of the vessels was significant of a determination to resort to it if necessary, while the impossibility of the vessels getting near from the shallowness of the water, was fatal to any success by negotiation, and the orders from Peking remain as they have for years, without effect.

So again, in the matter of arbitrary restrictions on trade and monopolies, maintained year after year at Newchwang and Formosa. Until my visit to the ports, no orders from Peking were of the slightest use. Nor, until a certain pressure was brought upon the high authorities at Nanking and Foo-chow, by my presence and remonstrances, when they were given to understand their personal responsibility would be involved if they failed any longer in removing them, was any effective action taken. They feared the possibility of acts of retorsion, which would immediately compromise their position and authority, and then only they yielded and did a simple act of justice.

It was this state of things which the Memorandum fully entered into, tracing the effects to their causes, the decentralization of the provincial administration; the combined resistance of all the official class against any attempt to remove abuses, and the license to plunder and misgovern; and lastly, the weakness of the Central Government during a long minority and continuous insurrections. That there was, in addition, some lack of good-will and energy in the Executive, and a great reluctance to incur all the odium of a more determined action or sweeping reforms seemed probable. And this, more than all the causes put together, appeared to me to militate against well-founded hopes of progress and improvement.

The step now taken is sufficiently decisive and significant to prove that there are Ministers, with power and influence in the Councils of the Emperor, who believe the time has come for breaking with the past and commencing an era of innovations, and have resolved—it may be as the lesser of two evils—to accept the responsibility of their initiation. And in this state of things the great object is to know, not whether such views are, or are not, popular, but whether they practically influence the conduct of those at the head of affairs.

To meet this new and more hopeful phase of Chinese policy, the "note for communication to the Tsung-li Yâmen," copy of which was inclosed in my despatch of the 21st instant, was written. There has not been time yet to ascertain what may be the impression it will make, but in the meanwhile it may be well to state its immediate object.

I desired to fix the attention of the Prince of Kung and the other Ministers on the essential conditions of any real independence of foreign control or interference. First, the assertion of such independence as a right distinctly recognized by the Law of Nations, with its necessary sequence the liberty to regulate their own affairs and employ foreigners as they pleased in the reorganization of their services or the development of their resources, free from either dictation or control. Secondly, the faithful observance of Treaties and exact fulfilment of all their obligations. In other words, the prompt redress of long-standing grievances inflicting serious injury on foreign interests, and giving a right of intervention to Treaty Powers.

The first is the great desideratum to the Chinese; and my object was to show it could only be obtained by the second, which is equally an object of paramount interest to foreign Powers. The interests of too many of these being bound up with the preservation of order and observance of good faith in China, to make it possible that it should be left alone on any other condition.

That these interests were being seriously if not permanently imperilled, I had but to refer in proof to the series of official communications made since my return from the ports, setting forth in detail the more prominent of the grievances, as there have since been enumerated at great length in the numerous memorials of mercantile bodies and British subjects in their individual capacities.

An official letter received some time back from the Prince of Kung, complaining of some acts of intrusion and trespass by foreigners in the Imperial grounds of Yuen-min-yuen near Peking, had already given me the opportunity, in reply, of placing before his Highness the only class of grievances which had not been brought forward in the preceding correspondence, namely, the denial to the Representatives of foreign Powers resident at Peking of the position and privileges accorded to Diplomatic Agents in all Western States by universal consent as a right by courtesy, and the withholding of which

was an offence. A copy is inclosed, to complete the series of earnest representations m a to the Government during the last six months, all bearing upon their relations with fo rei Powers and the measures necessary to place these and their own independence on a m o secure basis.

To give a practical application to such representations, I concluded the note by suggesting certain measures for the removal of the more pressing causes of injury to the subjects and trade of Great Britain. These measures were susceptible of immediate adoption because not dependent on great reforms and organic changes necessarily requiring time to mature and carry out. And I accordingly urged the nomination of a Provisional Committee or Commission, to be formed on the spot by a Chinese official well versed in the provincial administration, and the Senior Secretary of Her Majesty's Legation, with Mr. Hart, the Inspector-General of Imperial Customs, for a third member, to consider the form such measures should take, and the best machinery for giving them effect. The objects I proposed were:—

1. A change in the present system for the levy of transit dues, both on foreign imports and Chinese produce, constituting the staples of foreign trade.

2. The removal of all restrictions and monopolies contrary to Treaty, and many of them created by provincial authorities for their own profit.

3. As concessions founded in equity, to afford some compensation for losses incurred by illegal acts of Chinese authorities under the first two heads, a rectification of maritime duties levied on some ten or twelve only of the Articles already included in the Tariff of imports and exports, together with the establishment of bonded warehouses. And, lastly, increased facilities for the conveyance of goods to and from the interior, in which foreigners had a *bonâ fide* interest, by granting the right of transporting cargo and passengers on inland waters leading to great centres of trade in vessels under national flags, whether propelled by sails or steam, with Custom-house passes. And as a further facility the privilege of landing or taking off goods from landing-places, previously to be agreed upon, at various points between Hankow and Chin-kiang-foo.

These concessions I regard as the necessary condition of any practical improvement under the first two heads. Without them no efforts of the Government at Peking can secure the merchant from illegal taxation and vexatious delays in the transit of goods and produce scarcely less injurious to their interests. I am confident that, if this much could be obtained and amicably arranged with the Yamên here, the most important of their grievances would be speedily redressed, and nothing less will suffice.

As a part of the scheme, I suggested that arrangements should be made to transfer the whole amount of transit dues, to be made payable only at the port of shipment, to the several provincial Treasuries through which the goods should pass. Their active intervention in collecting them to be entirely dispensed with; total exemption from inland duties being the condition. Each provincial Treasury might thus have a certain well-defined interest in the development of foreign trade, though the subordinate officers would not be allowed to mulct it as heretofore by multifarious exactions or to vex the traders with endless delays and obstructions. This is the main object to be secured in any measures for the relief of those engaged in foreign trade, and the plan proposed need not interfere with the fiscal system of the provinces in regard to the transport of goods and produce in which the foreigner has no direct interest. A very moderate degree of vigour and determination on the part of the Government here, aided by the Maritime Customs, could give full effect to the privileges demanded, and they alone would go far to remove all serious causes of complaint.

I think the Chinese Ministers are themselves convinced that the time has arrived for some decisive action in this direction. I have sought, not wholly in vain I believe, to impress them with a conviction that such a foreign trade as the inclosed return shows, amounting in the year 1866, to 100,000,000*l.* sterling, and employing yearly 7,000,000 tons of shipping, cannot be trifled with. Where such large interests are at stake, they must be prepared for insistence; and should congratulate themselves that any measures so feasible, and entailing neither outlay nor loss to China, can be shown to suffice for the removal of serious grounds of complaint and corresponding danger to the Empire.

Whether they will see it in this light and act, I shall be better able to judge and report before the Mission now about to take its departure can reach England. It was in any case worth trying. If the effort fails, we shall be no worse off—better indeed, for the necessity of other action on the part of Treaty Powers will have been conclusively proved.

I have, &c.
(Signed) RUTHERFORD ALCOCK.

Inclosure 1 in No. 39.

Sir R. Alcock to the Prince of Kung.

Sir, *Peking, November* 17, 1867.

I HAVE received a note from your Imperial Highness and the Ministers of the Yamên, stating that the official in charge at Yuan-Ming-Yuan has reported the forcible entrance into the gardens of two foreigners on a recent occasion. And your Highness, referring to a former correspondence with my predecessor, Sir F. Bruce, on a similar subject, requesting to be supplied with a few copies of a notice from the British Minister, prohibiting his countrymen from like intrusions, now makes a similar request.

In reply I must beg to refer your Highness to Sir F. Bruce's reply to a correspondence, and still later with Mr. Wade, and his reply of 9th February, 1865. To save time, and a mere repetition on my part I beg to inclose a copy of each. The question of admission to certain places in and about Peking, which it may not be convenient to grant to every one, has often been the subject both of correspondence and conversation, as your Highness must be aware. And there has always been a strong expression of opinion on the part of Her Majesty's Representative as to the necessity of a distinction being made between Foreign Ministers with their suite, and private individuals, and the lack of courtesy hitherto shown by the Court at Peking, in not granting, as is the usage of every other country, free access to the various places which are objects of interest to foreigners. It is time this denial of the consideration to which Ministers are by Treaty entitled, ceased.

Queen Victoria condescended to see a Chinese official, although a man of no position, and ordered him to be shown the palaces and gardens all over the country, while Her Majesty's Representative is refused access not only to the palace but to fifty places which it would be a gratification to him to visit, and into which unauthorized persons being Chinese are allowed *ad libitum* to intrude. This was once more urged in conversation with his Excellency Wen Seang by Mr. Wade at my desire, not long after my arrival, but like all other representations without effect.

Your Highness' present communication gives me the opportunity of recalling your attention to the purport of all these previous representations, and to add, that unless some decided action is taken at once to give those facilities which are invariably accorded as a mark of consideration to foreign Ministers at every Court in the civilized world, I shall feel it my duty to refer the whole correspondence on the subject to Her Majesty's Government for instructions. It is fitting that they should know how little consideration their Minister enjoys in Peking, and with what persistent discourtesy the most common privileges of their rank and position are denied them.

I take, &c.
(Signed) RUTHERFORD ALCOCK.

Inclosure 2 in No. 39.

TABLE showing the Value of Trade, Tonnage of Vessels, and Duties levied under different Foreign Flags; extracted from the Imperial Customs Reports for 1866.

Flag.	Total Value of Import, Export, and Coast Trade.	Proportion to whole Trade.	Tonnage of Vessels Entered Inwards and Cleared Outwards.	Total Import and Export Duties, and Tonnage Dues.
	£ s.		Tons.	£ s.
British	70,576,437 10	·71002	3,921,851	1,919,123 9
American	16,593,718 15	·16682	1,957,687	445,075 5
North German	7,725,921 17	·07772	620,322	215,108 15
French	1,306,718 15	·01314	108,918	37,137 18
Sundry	3,196,796 17	·09215	268,804	92,740 17
Total	99,399,593 14	..	6,877,582	2,709,186 4

NOTE.—Taels in Custom-house Returns have been rendered into sterling at the rate of 6*s.* 3*d.* per tael, being the average rate of exchange for 1866.

Memorandum to accompany the Table showing the Value of Trade, Tonnage of Vessels, and Duties collected during 1866.

The total value of imports and exports for 1866, and of the coast trade for that year, is estimated at 99,399,593*l.* sterling, and of this Great Britain, America, and North Germany possessed 94,886,078*l.*, leaving a balance of 4,403,415*l.* to be divided between France, Russia, and other European Powers, Siam, Japan, and other Eastern countries.

A fourth, or a little more, of this small balance falls to the share of France, whose trade is about double that of Siam, amounting to 1,306,718*l.* 15*s.* sterling, or about one-fifty-third less than 2 per cent. of that of Great Britain, less than one-seventieth of the trade of Great Britain, America, and North Germany together, and scarcely over 1 per cent. of the whole trade.

No. 40.

Sir R. Alcock to Lord Stanley.—(*Received March* 30.)

(Extract.) *Peking, January* 1, 1868.

IN the Memorandum intended for communication to my colleagues here, although it appeared unwise to pass from the survey of the present without some deduction for the future, I was embarrassed by the impossibility of speaking freely on a prospective policy to those with whom it was easy to foresee there might be great divergence of opinion and action.

So long as there seemed no promise of energy or progress in the Chinese Executive, it seemed unnecessary to do more than point to the strong reasons existing, in the actual situation, for great patience and forbearance in dealing with an Empire so exceptionally placed. The prospects were not cheering. To labour and to wait seemed the only sound policy under the circumstances. But in the short interval since that Memorandum was written the circumstances have changed.

In my despatch of yesterday, referring to the note I had communicated to the Tsung-li Yamên on the policy of the future, your Lordship would perceive my proposals for present redress and improvements were strictly limited to a few points of major importance in the interests of trade, but falling far short of what the merchants have demanded in their several memorials. I do not conceive it would be politic or wise to insist upon any larger plan of improvement, so long as there is any hope of obtaining, by diplomatic means, the due execution of Treaties in those Articles most essential to the development of foreign trade. These are more important than all others in the interests of commerce, and they present no insuperable difficulties; whereas in regard to many of the objects specified in the memorials, as more or less desirable or necessary, there are many preliminary objections to be removed, and the possibility of any practical result is contingent upon the adoption of organic changes in the political and fiscal administration of the Government throughout the country. On the other hand, it may be safely assumed that neither the rights of residence in the interior—of importing salt, of working mines, of laying down railroads and telegraphic lines, of the creation of a code of commercial law and an international tribunal for suits against Chinese debtors—are essential to the development and protection of trade generally, which is the principle object of the Treaty.

All of these innovations are beset with difficulties and dangers which would prevent their being productive of an unmixed advantage, if they could be secured to-morrow. The right of residence in the interior is hardly compatible with an exterritorial clause. And apart from Chinese rights in the matter, it could not work very profitably for merchants until they acquired some knowledge of the language, and could communicate directly with the native traders. The importation of salt could scarcely be reasonably asked of the Chinese Government until it had time to make provision for the immense interests and administration engaged, under a Government monopoly, in the production and distribution all over their vast territories of the native produce. The working of mines and laying down of railroads and telegraphs not only involve a great revolution, social, political, and industrial, wherever they are introduced, but meet with other difficulties and objections. They are in conflict with popular superstitions sufficiently widely spread and deep rooted in the minds of the people to make it impossible for any Government, however strong, to disregard them with safety. But it has already been shown that the present Government, under a minority of the Emperor and with insurrections in every province, is not strong, and, on the contrary, nearly powerless against the governing classes, when these are united to oppose innovations or reforms attacking either their

interests or their national feelings and prejudices. But these are not the only objections and difficulties in the way of such schemes. They involve a great outlay of capital, which the Government is equally unprepared to supply, or to borrow from foreigners. If for no other reason than this—that it would lead to the latter's acquiring vested rights of capital and land in the interior, and besides multiplying the risks of collision and complications in their political relations—such interests would infallibly provoke, or serve as a pretext for, the intervention of foreign Powers. It would be a mistake to suppose that the experience of the Pasha of Egypt and the questions to which the privilege of making the Suez Canal has given rise have been lost upon the Chinese Government. They are as much alive as the Pasha himself can be to the danger and inconvenience attaching to such enterprises with foreign capital, and Government protection as a contingency. So in regard to a silver currency, and a commercial code, with an international tribunal to administer it in suits between foreigners and Chinese subjects—these are subjects involving questions of great intricacy connected with the internal administration, the laws and the customs of the country, as well as the power and responsibilities of the Government. It must be sufficiently obvious from these considerations alone that it is simply impossible for any Government to deal with them off-hand in the way proposed, by a stroke of the pen under foreign dictation. Neither would the sword be more available to give them practical effect, however ruthlessly or unscrupulously it might be wielded. It seems to be very easy to a few foreign merchants at Hong Kong, on the outer confines of a great Empire of which they have but little knowledge, to suggest chances and deal lightly with the grave questions to which they give rise. The responsibilities of Government do not weigh upon them, and it is perhaps natural that they should fail to see, or, seeing, give little heed to the difficulties which make their suggestions impracticable. They do not always see their own interests in a very clear light; and judging by the melancholy failures and bankruptcies within the last two or three years, they are but uncertain guides even in matters of trade and the conditions of commercial prosperity.

In any case it is clear the adoption by the Emperor's Counsellors of any of these proposed innovations could not be contemplated without much preliminary examination and anxious deliberation; and if forced prematurely upon them by a foreign Power, it could only be done under conditions as disastrous to trade as they would be to the Government, and dangerous to the independence, if not the integrity of the Empire. It is still equally true, as I have observed in a recent despatch, that the future destiny of this Empire is greatly dependent on the domestic and foreign policy it may now and within the next few years adopt. But let us hope what has been said of us in other relations may not be verified, that we exact from the Chinese "the duties of a civilized Power which they do not understand, but refuse them the privileges which civilized Powers enjoy." Misrule and corruption must continue to be a source of weakness within and of danger without. And its present state must, therefore, continue to be a source of anxiety and of legitimate interest to foreign Powers, with a large trade dependent, on its better government and independent existence.

Now, however, that the governing Council in the name of the Emperor is about to enter into new relations with the Treaty Powers by means of a Representative in Europe, the time seems to have arrived for advantageously modifying the anomalous positions so long occupied by both. A survey of the present situation from this newly acquired vantage ground opens a wider field; and suggests within the well defined limits I have indicated above and in my despatch of the 31st ultimo, a policy of action.

Doubtless, internal reforms of a comprehensive character are essential, because without these experience has abundantly shown the Government cannot preserve intact the interests and incontestable rights it has engaged by Treaty to protect; even if considerable changes in the administration and whole system of Government were not obviously required for the stability of the Empire already partially dismembered and torn by continuous insurrections. For both these reasons, as I have pointed out in the Memorandum, foreign Powers have a certain right of intervention in the internal affairs of China; but it is a right which has its legitimate limits, and these cannot be overpassed without danger in various directions.

It not only may serve as a pretext for one Power to the prejudice of all the rest, who have large interests at stake, to destroy the independence of the State, or throw every thing into immediate confusion by meddling and dictation; but unless exercised by common accord, and with scrupulous regard for the common interest; it tends unavoidably if not to dismemberment, at all events to paralyze the Executive Power and arrest self-development. If these greater evils could be eschewed, all such intermeddling and efforts at dictation irritate the national pride, and outrage all feelings of self-respect and national dignity. Under such conditions it is evident there can be no hope of progress

or improvement by the introduction of Western agencies, and the appliances of a higher civilization. Living under a perpetual menace of forcible intervention in their internal affairs, all friendly influence and co-operation of European Governments become impossible.

The Chinese will have nothing to do with foreigners as the protégés of their respective Governments; and they are right. To keep as clear as possible of all foreign Governments is a very natural desire on the part of those who have thrice in a single generation had objectionable Treaties imposed upon them at the point of the bayonet, and are still in constant conflict with foreign Ministers and Consuls about their execution. And so long as any ground for uneasiness and suspicion exists in the minds of the Chinese rulers or people, of foreign projects directed against their independence, or inimical to national interests in contra-distinction to those which may be considered cosmopolitan, there will be insuperable obstacles to any large measures requiring the introduction of foreign agencies, whether material or personal. Railroads, telegraphs, steam machinery, and scientific direction for the working of mines; the acquisition of foreign languages; the larger infusion of foreign elements in all branches of the public service, such as has been tried in the Maritime Customs with manifest advantage to foreign trade and the Chinese revenue alike, all these may within a very few years be in full play throughout the country, working radical changes in their whole system of administration, and leavening the whole nation with civilizing influences of a type superior to their own, and assimilating more and more each day the two races. But on one condition—that they are left alone, free alike from dictation or control as to the selection of their agents, and the time or conditions of their employment; and that they are allowed to feel they are free from all restraint or galling interference on the part of foreign Governments and their Agents, Diplomatic or Consular. Hitherto a different condition has undoubtedly existed. Intrusive advice and pressure, even in the one or two directions in which they have heretofore ventured to adopt foreign appliances;—the employment of foreigners in the Customs, and the purchase of steamers,—has been the rule I fear, from the humiliation and embarrassment of which they have in vain sought to free themselves. Our own dealings with the "Osborne" flotilla left deep traces of discouragement in the official mind, and paralyzed by far the most advanced and progressive among the leading Ministers of the Yamên and Grand Secretariat. It went far also to destroy his influence, especially in regard to progress or reforms by foreign agencies. Our intervention was perhaps unavoidable. The circumstances were unfortunate; but these again were attributable to their foreign Agent, an Englishman, in whom they had reposed almost unlimited confidence, and ships and men were all British. Both parties were placed by mismanagement in a false position, from which there seemed no issue, but one involving a complete *fiasco;* the whole burden of which fell upon the Yamên and the progressive party in the State, and notably upon Wênsiang, with whom the scheme had originated. However unavoidable at last, the results were deplorable; and their influence has been felt ever since in an accession of strength to the party opposed to all innovations, and a corresponding loss of power to those well disposed to take progressive steps in advance, and profit by the superior intelligence and science of Europeans. What could be done to neutralize the bad effect of this untoward intervention has, I believe, been effected by Sir Frederic Bruce and myself, in carefully abstaining from all officious or irritating interference in their internal affairs, and especially in their arrangements for the introduction of foreign agencies in their administration, coupled with a distinct repudiation of all desire to interfere. And nothing short of a formal and unequivocal disclaimer on the part of all the Treaty Powers to the same effect will remove this greatest of all obstacles to progress in China.

Under such a programme as this they would be encouraged to employ foreigners who can aid them in their plans of re-organization and reform, irrespective of their nationality according to their fitness for the service. Relieved from all fear of dictation in the choice of their agents by the *appui* of foreign Legations in favour of individuals and nationalities, China will have as good a chance as it is possible to have under existing circumstances, of rapid improvement and increased vigour of administration.

If there were no valid objection to a policy of meddling and intervention on principle, there would still be difficulties in practice altogether conclusive as an argument. In the first place neither a Custom-house nor any other administration can be carried on in duplicates and triplicates after a Japanese idea travestied. And if the condition of employing an Englishman or an American in any port is to be the obligation of employing an equal number of Frenchmen in exactly similar posts, there is no possibility of working such a system. Yet something very like this has been pressed upon the Chinese Government as necessary to the "equilibre politique," as I have had occasion more particularly to explain in former despatches. The Chinese might even object that French employés thus imposed upon

them would always remain French agents, and consider themselves as having a nationa character or part to sustain in furthering the interests of France rather than those of China. But it is plain the employment of French subjects at all cannot be made compulsory without a flagrant violation of international rights; and the only result of any attempt to enforce such reading of the most-favoured-nation clause of the Treaty, is to deter the Chinese Government from employing foreigners and so destroy the best hopes of progress and improvement.

There is no reason why China should not profit as largely and beneficially by foreign science and educated intelligence imported from abroad as Russia has done, could China be as free as Russia has ever been in her adoption of civilizing agencies, and the selection of men of all nations more advanced than themselves for office and employment in the development of her resources. The paltry spirit dictated by national susceptibilities and unworthy desires for patronage and profit in which this has hitherto been contested, is a discredit to human civilization, and has certainly done more in the last few years than all other causes put together to retard and prevent improvement in China.

I hail the appointment of a Representative to the Western Powers, therefore, as the beginning of a new era. All the more certainly that by a fortunate concurrence of circumstances, the first choice has not fallen on a Chinese who would have been quite incapable of performing the required service, but an intelligent and well-informed foreigner conversant with the state of affairs in China. I do not know what Mr. Burlingame's instructions may ultimately be, but it is very obvious what is the work which devolves upon him. If, as I have no doubt, he is prepared to justify the confidence of the Government he now represents, he will maintain their rights and true interests in the face of Europe. And if he succeeds in obtaining their recognition, I venture to predict the Chinese work of development and reconstruction will be both rapid and certain. Once relieved of the incubus of foreign dictation which has hitherto weighed upon them, I am satisfied from what I now see that they will move forward. For among the Ministry at the head of affairs are men who have a national aspiration after development and power, which latter they perceive can only be acquired by and through the first, in their connection with foreign States. In China, as in Italy, there is a party whose watch-cry is "Fara da se," desiring to take their place among the nations of the West, on condition that they are left alone to work out their own social and political problems. And it cannot be doubted that a Chinese Government and provincial administration invigorated by European elements freely adopted, and directed to great ends through Asiatic channels and means of execution, might produce results both permanent and beneficial on more than half of the Eastern race, Mongol, Tartar, and Chinese, spread over the greater part of Asia.

The new Envoy's instructions will, no doubt, be in accordance with the dominant wish of the advanced party in the Councils of the Emperor, and direct him to maintain the right which belong to China as a sovereign and independent State, and to claim their formal recognition.

But the main object of my note was to remind them of the necessity of furnishing their Representative with some no less formal and distinct authority to recognize the obligations which, under Treaties, form the necessary conditions of immunity from interference with their internal affairs. Rights being corresponding duties,—a truth which China has not yet fully realized. The obligation to give prompt redress to existing grievances, and to do so irrespective of any difficulty arising from the present defective system of Provincial Government, I have told them will be insisted upon by Her Majesty's Government. And to plead defects of system as a bar to any prompt improvement in the observance of Treaty stipulations, is to abdicate the sovereign rights of an independent State they are so anxious to uphold, and to justify the intervention of Foreign Powers as the only means of effectually protecting the interests of their subjects. Mr. Burlingame can hardly render them a greater service when in communication with foreign Governments than by reporting and reiterating what he will hear from these on this head.

It is the more essential that they should be penetrated with this conviction, because any demand of theirs for perfect freedom of action and exemption from dictation or interference may not be acceptable to all the Treaty Powers. The two Western countries which have immeasurably the largest interests at stake in the foreign trade of China, Great Britain and the United States of America, will hardly raise any question as to the rights claimed, if to their assertion be attached a full recognition of their corresponding duties. Neither is it likely that Northern Germany, which has under its Federal flag a trade of 7,725,921*l.* and employs shipping representing a tonnage of 620,322, will be averse to a frank recognition of those rights, the truth being that these three countries absorb nearly the whole trade, amounting to 100,000,000*l.* per annum, with a tonnage of nearly 7,000,000; while all other Treaty Powers combined have only a trade of 4,403,415*l.*, or

less than 5 per cent. The share of France is not much more than 1 per cent. of the whole, and that of Great Britain 7 per cent.

Finally, although we do not usually make any parade of utopian theories for the regeneration of the world as a principle of government and national policy, or seek the advance of civilization and Christianity by schemes of reconstruction for other countries, there is something to be said from this point of view. It is not at all events to be entirely overlooked that a policy dictated by the more tangible interests of commerce and in harmony with the law of nations, will probably do more to save the disorganization of a vast Empire, with a population of 400,000,000 souls, than any other suggested by ideas of reconstruction from without and foreign dictation. The progressive development of its resources and industry, which trade powerfully promotes, are the great agents of civilization in China as in all countries. And the ultimate conversion to Christianity of a third of the human race will not be retarded or made more difficult by a policy which draws closer, by bonds of peace and mutual interest, the nations of the Western and Eastern world.

No. 41.

Lord Stanley to Sir R. Alcock.

Sir, *Foreign Office, April 9, 1868.*

I HAVE received your despatches of the 31st of December, and your separate and confidential despatches of the following day, in continuation of your previous despatches on the question of the revision of the Treaty of Tien-tsin.

I have read with much interest your observations on the bearing which the social and political state of feeling in China must necessarily have on that question; and I fully appreciate the pains you have taken to place Her Majesty's Government in possession of the means of arriving at a decision as to the course which they should pursue.

Your despatches, and the Memorials of the different Chambers of Commerce in China, have been referred to the Board of Trade; and I propose to put Mr. Wade in communication with that Department, as soon as he has finished a report on the whole question which I have desired him to draw up.

I am, &c.

(Signed) STANLEY.

No. 42.

The Rev. W. Lockhart and others to Lord Stanley.—(Received April 28.)

London Mission-House, Bloomfield Street, Finsbury,

My Lord, *April* , 1868.

WE, the Undersigned, having been Protestant missionaries in Hong Kong or China for many years, beg to invite your Lordship's attention to a subject which we submit should be borne in mind in the approaching revision of the Treaty between Her Majesty and the Emperor of China.

We are anxious that a clause should be introduced into the Treaty which will concede to British missionaries the right to reside and to purchase land in all places in the interior of China, as well as at the commercial port. In the VIth Article of the Supplementary Convention to the Treaty between the Emperors of France and China, and which is dated October 25, 1860, it is stipulated that "French missionaries shall be allowed to purchase land in every province, and to build on it, as their own convenience shall require." There can be no reason, we apprehend, why the same privileges should not be as explicitly recorded in favour of British missionaries.

In 1861, two of us purchased a small property from the Chinese owners, in the city of Poklo, in the interior of Canton Province, intending that a place of worship should be erected on it for the numerous Christians in the neighbourhood. Opposition was made to our proceeding by some of the local gentry; a cruel persecution of the Christians commenced; and we appealed in their behalf and our own to Her Majesty's Consul in Canton.

We argued that the right to purchase ground for the purpose we had in view was conceded by the XIIth Article of the English Treaty, which provides that "British subjects, whether at the ports or at other places," might buy land and build or open

houses, warehouses, churches, &c.; but we were given to understand that our interpretation of the words "at other places" was not admitted. We then referred to the Article in the Supplementary Convention to the French Treaty, from which we have quoted above; and we contended that, by the LIVth Article of our own Treaty, British missionaries might claim the privilege and advantage there secured to French missionaries. It was not denied that we might make such a claim; but we were given to understand that Her Majesty's Government was reluctant for the present to insist upon it.

We have not mentioned these things as complaining of the conduct of Her Majesty's Consul at Canton in the case specified, but as a reason why we should now submit our representation to your Lordship, that, in the approaching revision of the Treaty, the rights of British missionaries in China should be made as definite and extensive as those of French missionaries. To do so will be a great boon to the missionaries by facilitating their labours, and a great boon also to the annually increasing numbers of the Chinese who receive baptism at their hands, and are organized into Christian societies.

We have, &c.

(Signed) WM. LOCKHART.
JAMES LEGGE, D.D.
JOHN CHALMERS.
BENJN. HOBSON.
WILLIAM MUIRHEAD.

No. 43.

Mr. Hammond to the Rev. W. Lockhart and others.

Sir, *Foreign Office, April* 30, 1868.

I AM directed by Lord Stanley to acknowledge the receipt of a letter signed by you and four other gentlemen who have been missionaries in China, advocating the introduction into the Treaties between Great Britain and China of a clause conceding to British missionaries the right to reside and purchase land in all parts of China; and I am to state to you, in reply, that the subject will be borne in mind, but that his Lordship would recommend you, and the missionary body generally, to consider seriously the risk which might be incurred in setting up establishments in the interior of China beyond the immediate reach of Consular protection, since it would be scarcely likely that Parliament would sanction, or the country approve, any interruption of friendly relations with China in support of the cause of missionaries who might have adventured themselves into the interior of the country, where perhaps neither the Chinese Government could afford them protection, nor the British Government obtain redress for wrongs done to them, except by having recourse to measures which would be equally injurious to the interests of British trade in China, and to those which the missionaries themselves have most at heart.

I am, &c.

(Signed) E. HAMMOND.

No. 44.

Lord Stanley to Sir R. Alcock.

Sir, *Foreign Office, May* 2, 1868.

I TRANSMIT to you, for your information, copies of a letter from Mr. Lockhart and four other gentlemen connected with the London Missionary Society, and of the answer which I have caused to be returned thereto,* relative to the introduction into the revised Treaty with China of a clause conceding rights to British Missionaries to purchase land, and to reside in all parts of that country.

I am, &c.

(Signed) STANLEY.

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* Nos. 42 and 43.

No. 45.

Memorial of the Manchester Chamber of Commerce.

To the Right Honourable Lord Stanley, Her Majesty's Secretary of State for Foreign Affairs, &c. &c.

The Memorial of the Manchester Chamber of Commerce, by their Chairman.

Respectfully sheweth,

THAT this Chamber supports the Memorial of the Shanghae Chamber of Commerce addressed to the British Minister at Peking, a copy of which was presented to the House of Commons by command of Her Majesty, in pursuance of their Address dated February 24, 1868.

That the Chamber would, however, call special attention to the following points at the time when the revision of the Treaty of Tien-tsin is under the consideration of Her Majesty's Government:—

1. That a fixed and equitable transit duty upon British imports sent into the country be provided for not exceeding 2½ per cent. *ad valorem* for the entire journey in conformity with Article XXVIII of the Treaty of Tien-tsin.

2. That British subjects shall have liberty to settle and trade up-country as stipulated for under Articles IX and XII of the said Treaty, so far as this may be done safely and peaceably under Consular supervision.

And your Memorialists will ever pray, &c.

(Signed) J. M. BENNETT, *President.*
THOS. BROWNING, *Secretary.*

Manchester, May 4, 1868.

No. 46.

Mr. Hammond to the President of the Manchester Chamber of Commerce.

Sir, *Foreign Office, May* 6, 1868.

I AM directed by Lord Stanley to acknowledge the receipt of your letter of the 4th instant, forwarding a Memorial from the Chamber of Commerce of Manchester, respecting the revision of the Treaties with China; and I am to request that you will inform the Chamber that their Memorial will receive due consideration.

I am, &c.
(Signed) E. HAMMOND.

No. 47.

The Secretary of the Liverpool Chamber of Commerce to Mr. Hammond.—(*Received May* 15.)

Sir, *Chamber of Commerce, Liverpool, May* 14, 1868.

WITH reference to your Circular of the 5th of September last, inclosing copy of the Treaty and Tariff of Tien-tsin, and stating that Lord Stanley will be happy to receive any communication with regard to it which the Chamber may see occasion to offer, I am desired by the Council, in reply, respectfully to submit the following suggestions and observations for his Lordship's consideration:—

The Council are of opinion that the exemption of silk from Customs duty, and the reduction of duty on tea from 1*s.* 9*d.* per lb. to 6*d.* per lb., will commend themselves to the Chinese Government as strong reasons for further concessions on their part, especially as regards removal of the prohibition on the import of salt into China, which would so obviously be conclusive to the interests of both countries—a concession which would still be consistent with the maintenance of a monopoly of its sale by the Chinese Government in the same manner as tobacco is a Government monopoly in those continental countries into which its import is still permitted.

Besides the advantages to the shipping interest of the United Kingdom under such an arrangement in the outward freights of salt, the Council would further point out that the abolition of the import duty still levied by the Chinese Government on coal, which yields them an unimportant revenue, would also be conducive to this end.

Numerous complaints have reached the Council as to the evasion and the non-performance of the existing Treaty on the part of the Chinese Government, as well as of

the imposition of local imports illegally levied under the name of transit dues in addition to the *ad valorem* duty of $2\frac{1}{2}$ per cent. collected under the Treaty. With regard to transit or similar dues the Council would suggest that their collection shall take place at the shipping port and the port of discharge only of the cargoes.

The Council further suggest that in the coming revision of the Treaty and Tariff of Tien-tsin, efforts be made on the part of Her Majesty's Government to obtain—

1. A reconstruction of the Mixed Courts, so as to secure therein more satisfactory jurisdiction between English and Chinese pleaders.

2. A stricter enforcement of Articles XIX and LIII of the Treaty, which provide for the suppression of piracy.

3. An increase in the number, where required, of beacons, lighthouses, buoys, light-ships, and similar aids to navigation within Chinese waters.

4. The right to export, and to drawback on, duty-paid bonded goods without limit as to time.

5. Permission to navigate the inland waters with cargo-steamers for distribution of cargoes.

6. A reduced scale of duty proportioned to reduced value of merchandize when right to such shall be established.

In conclusion, I am to state that communications have been received by the Council from the Chambers of Commerce at Hong Kong, Shanghae and Tien-tsin upon the subject of the Treaty, and that they contain several allegations as to infractions of the Treaty on the part of the Chinese, as well as valuable suggestions for its modification. Similar communications from those Chambers have, no doubt, been made to Her Majesty's Government, and without expressing any opinion upon their details, the Council would venture respectfully to recommend their careful consideration.

I am, &c.
(Signed) WILLIAM BLOOD.

No. 48.

Mr. Hammond to the Secretary to the Liverpool Chamber of Commerce.

Sir, *Foreign Office, May* 16, 1868.

I HAVE laid before Lord Stanley your letter of the 14th instant, containing the suggestions of the Liverpool Chamber of Commerce with regard to the approaching revision of the China Treaties; and I am directed by his Lordship to request that you will inform the Chamber that their views will recieve due consideration.

I am, &c.
(Signed) E. HAMMOND.

No. 49.

Consul Winchester to Lord Stanley.—(Received June 1.)

My Lord, *Shanghae, April* 15, 1868.

I HAVE the honour to inclose copy of despatches which I have addressed to Sir Rutherford Alcock, in reply to his circular calling for informaiion with reference to the districts in the interior, and the routes leading thither, in which it is most advisable to obtain the right of residence in the revision of the Treaty; and also to a circular with reference to the omission of all mention of bonded warehouses in the memorial by the Shanghae Chamber of Commerce.

I have, &c.
(Signed) CHARLES A. WINCHESTER.

Inclosure 1 in No. 49.

Consul Winchester to Sir R. Alcock.

Sir, *Shanghae, April* 11, 1868.

YOU will readily understand that the first perusal of circular of 21st ultimo, was calculated to produce a feeling of despair, for I could not hope to describe within any

ordinary compass the vast system of inland navigation which is connected with the Great River, on the delta of which Shanghae stands, and felt at the same time how little adequate my own capacity and knowledge were to a task so important and laborious. The Yang-tsze throughout its whole course, from Chung Ching to its embouchure, is the centre and feeder of a network of canals and watercourses on both its banks. Not only do these courses lead to and from the Great River, but they form side channels along its whole length, so that cargo and produce carried up the stream in native craft are enabled to reach the interior without facing the delay interposed by the current of the mighty river. Such a labour amounts, therefore, to a great geographical undertaking, to which I feel quite incompetent.

The physical conditions which have led to this side channel system constitute a problem which haunted me during the recent voyage I made to Hankow. While I am not vain enough to think that the solution arrived at embraces the whole case, my conclusions were such as reconciled and explained many of the extraordinary facts and circumstances which passed before me, and I trust may be found not unworthy of being briefly stated in this connection.

At Hankow the difference between the highest and lowest points which the waters of the stream reach and subside to is sixty feet. The rise and fall as high up as Chung Ching, the highest point reached by Mr. Cooper, is, if possible, greater, for he found the water-mark in the pass at I-chang so elevated as, at the full season, to take away all appearance of rapids from that wonderful pass, and describes a natural barrier of rock below Chung Ching many feet high, where he was obliged to disembark, as so covered in summer as to offer no obstruction to navigation.

At Ching-kiang-foo, 130 miles from the river's mouth, the waters at the very fullest never rise more than 8 feet beyond their usual level.

The vast surplus of waters indicated by the difference between 60 and 8 feet, for it must be borne in mind that below Hankow there are no great affluents to the stream, what becomes of it ? It is carried off into lakes, some temporary and others permanent; it is taken off by thousands of side channels, which form the intricate navigation of which I have spoken, and dispense, even to their smallest and most distant extremities, the facilities of irrigation that make the valley of the Yang-tsze richer than that of the Nile.

To give an example:—the system of lakes beyond Soochow, from whence the Huang-foo, on which Shanghae is situated, issues, owes its existence to the Yang-tsze inundation far more than to the basin of hills by which they are surrounded, so that the waters which flow into the current at Woosung, instead of constituting an addition, form simply a return into the parent stream of waters withdrawn from it higher up and which, during their diversion, serve to connect the great cities of Soochow and Chang-chow with the ocean. Higher up a new feature in the inland navigation makes itself apparent in the Poyang Lake, which drains the whole Province of Hunan, the great tea country, and discharges its waters into the Yang-tsze, when the stream is low, but is dammed up by its overflow over the narrow isthmus at the junction of the lake and river when the inundation is out.

Advantage has been taken of these conditions by this industrious people to form the vastest system of canalization the world has ever known.

If I were to venture to describe the probable extent of inland navigation to those who have never travelled on the Yang-tsze, or are unaware of the distances to which Li's army was accompanied by the little steamers purchased in Shanghae, I feel that I should expose myself to the imputation of being a visionary dreamer. But to bring the question back to practical objects connected with the trade of this port it is only necessary to point out that when the success of the Taeping rebels, in 1862, arrested the inland trade of this neighbourhood in native craft, it was wholly maintained by small steam and other vessels belonging to Europeans. Scarcely a bale of silk was shipped from Shanghae during 1862, 1863, and 1864, of which delivery was not taken by the foreigners in the interior. Much of the tea and cotton was got in the same way.

In complying with the requirements of the circular to obtain the best information on the points to which my attention is directed, I could not but feel that it would prove more useful to obtain from the authorized organ of the general mercantile community, a statement of its views and wishes, than to trust to my own appreciation of the relative importance of the objects which it is more immediately expedient to attain. I addressed, therefore, a letter to the Chairman of the Chamber of Commerce inclosing the circular, a step which has elicited the reply herewith forwarded.

This document places the subject in a fair and reasonable light. While I am ready o accept the remuneration of the districts mentioned by the Chamber as those in which

the right of residence is most immediately desirable, I am respectfully of opinion that limitations to this privilege should refer rather to persons than to places or distances; and would rather fence it from abuse by requiring special guarantees and sureties for the responsibility and good conduct of the individuals than by contracting the circle of residence. I would fain hope that such a qualified use of the privilege might lead to the development of the mineral wealth and the improvement of local industries, as well as of the foreign traffic of China. How narrow the views of the provincial administration are in all that relates to such subjects, may be gathered from the answer which Tsêng Kwo-fan is reported to have made to the representations urged upon him to permit the working of the coal mines in the Nanking district, so necessary to develop the steam navigation of the Yang-tsze, viz., that Mr. Burlingame had gone to foreign countries to explain why it was impossible for China at present to assent to such proposals.

I propose to forward copies of this despatch and inclosure, as well as of that in reference to bonded warehouses to the Foreign Office.

Your, &c.

(Signed) CHARLES A. WINCHESTER.

Inclosure 2 in No. 49.

Consul Winchester to Sir R. Alcock.

Sir, *Shanghae, April* 11, 1868.

ON receipt of your Circular of the 20th ultimo I at once transmitted a copy to the Chamber of Commerce with a request that they would furnish me with a statement of their views with reference to the establishment of a system of bonded warehouses.

The inclosed affirmative reply shows that the Members of this Body though themselves largely interested in the species of real property not unlikely to be unfavourably affected by the institution of such warehouses, have not hesitated to take both a prompt and liberal view of the question.

At no time could the Chinese Government, so far as the rental and purchase of godowns are concerned, be in a more favourable position for entering on such a system than now.

I understand that Mr. Dick, Commissioner of Customs at Tien-tsin, was dire make inquiries during a recent visit to Shangae as to the desirableness of substituting storage of opium in bonded warehouses for that in ships, and that he found those connected with the opium ships, naturally enough, desirous to maintain the arrangements from which they draw their profits. But there can be no doubt that they are wasteful and extravagant; and sectional advantages ought certainly not to be allowed to countervail the general interest of trade in a matter so important.

Your, &c.

(Signed) CHARLES A. WINCHESTER.

Inclosure 3 in No. 49.

Correspondence in reference to the Revision of the Treaty.

Consul Winchester to the Chairman of the Shanghae Chamber of Commerce.

Sir, *Shanghae, March* 30, 1868.

I RECEIVED yesterday, by the "Nanzing," from Her Britannic Majesty's Minister at Peking, two important circulars in connection with inquiries now in progress at Peking, preliminary to the anticipated revision of the Tariff, which I hasten to communicate to you in the hope that the Chamber will favour me at your earliest convenience with a reply for transmission to the capital, embodying such views and information as may be deemed likely to assist the arrangement of the points referred to.

I have, &c.

(Signed) CHARLES A. WINCHESTER.

Sir R. Alcock to Consul Winchester.

Sir, *Peking, March* 20, 1868.

AMONG the numerous wants of the mercantile communities enumerated in the various memorials, that of bonded warehouses finds place only in the one received from Tien-tsin. Whether it is to be inferred from this that at the other ports their introduction is not considered necessary or desirable is a question which I should like to have answered by direct reference to those interested in the trade of each port. Considering the importance attached to the establishment of bonded warehouses in all other countries by mercantile bodies, if any special conditions in the Treaty port of China render them superfluous, it would be well to have a distinct statement on the subject.

I have, therefore, to instruct you to make the necessary inquiries and report to me the result.

Your, &c.
(Signed) RUTHERFORD ALCOCK.

Sir R. Alcock to Consul Winchester.

Sir, *Peking, March* 21, 1868.

REFERRING to the numerous memorials received from the mercantile communities in China, and the unanimity with which they have urged the importance of increased privileges in the navigation of inland waters for the transport of their goods to the places of consumption and Chinese produce from the places of origin, I should be glad if some more specific information as to the extension of the chief markets for either the means or access to them by water, whether rivers or canals, their distance from the Treaty port and the districts within which a right of residence of a conditional kind might be conceded with advantage to the trade of each port.

I have to instruct you, therefore, to lose no time in obtaining the best information on these points, and, if possible, to furnish me with a sketch map giving routes and relative situations and distances of towns and districts, giving the Chinese characters by which they are designated, to which access by water or otherwise is more particularly required.

If, upon such map, it were also possible to indicate the position of barriers or local customs, where transit dues according to the present system are levied, it would add much to its practical value.

Your, &c.
(Signed) RUTHERFORD ALCOCK.

The Vice-Chairman of the Shanghae Chamber of Commerce to Consul Winchester.

Sir, *Shanghae, April* , 1868.

THE Chamber has to acknowledge receipt of your letter of 30th ultimo, covering copy of despatch from his Excellency Sir Rutherford Alcock, of date 21st ultimo, asking for more specific information regarding the privileges asked for by the Shanghae Memorialists *in re* the navigation of the inland water of China, viz., the distance, &c., of the towns and cities, to which access is sought, from the Treaty port.

The Chamber begs to state that as regards the towns and cities to which access is sought they can only enumerate as instances such places of similar classification to Soochow, Nanzing, Haining, Taeping, &c., in this Province of Che-kiang, in other words, such places as those for which Shanghae is at present the importing and exporting mart.

The Chamber cannot, however, confine the requirements of the Shanghae Memorialists to those places above named, for there are doubtless many which, from the limited access granted to foreigners to the interior of the country, they are unable to point out, which may be of equal importance to the trade of this port, both as regards imports and exports, or may become so in the event of the concession to foreigners of the navigation of the inland waters by the Chinese Government. The limited information possessed by the Chamber, from the reasons above stated, also precludes them from being able to reply to that portion of Sir Rutherford Alcock's despatch as to the means of access to such places as may be advantageous to commerce, whether rivers or canals.

The Chamber, therefore, only feels itself in a position to generalize its remarks, by stating that the wishes of the Memorialists extended to free access to all places easy of

approach by water, which can be supplied from Shanghae with foreign goods, and can supply Shanghae with Chinese produce. Such markets can only be found by experience.

The Chamber, owing to its being compelled to obtain its information from native sources, feels that, in regard to the general barriers or native customs of the province, it cannot give an exact reply to his Excellency's inquiries without leading to question by the Chinese Government; and therefore abstains from doing so. But as an example of the system that prevails, has ascertained the following to be the local customs between this port and Soo-chow,—the barriers being too numerous to mention. And if such are so numerous in the limited distance referred to, it may readily be implied how serious are the obstacles to the transit of manufactured goods into the more distant towns of which this is the emporium.

The first four are the points of departure from Shanghae, one of which must be passed by all boats going to Soo-chow; the other four are where the heavy exactions are made, after leaving which innumerable barriers intervene, at each of which a small tax is levied for viséing the passes issued at one of the four first named. It is stated by native traders that the levies between this and the port of Soo-chow amount to about 10 per cent. on woollen, and 6 per cent. on cotton goods at present values.

I am, &c.
(Signed) W. J BRYANS.

The Vice-Chairman of the Shanghae Chamber of Commerce to Consul Winchester.

Sir, *Shanghae, April* , 1868.

THE Chamber have to acknowledge receipt of your letter of the 30th ultimo, with a copy of a despatch from his Excellency Sir Rutherford Alcock, of date 21st March, requesting the opinion of the Chamber with reference to the matter of bonded warehouses at this port, and commenting upon the fact that the only Memorial on the subject of the revision of the Treaty of Tien-tsin, which alluded to the system, was that received from the Tien-tsin community.

In reply, the Chamber begs to state, as its opinion, that the system of bonded warehouses would greatly benefit the trade of this port, and the absence of any allusion to the subject in the Memorial of this community must be traced to the impression formed by the Chamber, that the subject was one already under discussion with the Chinese authorities at Peking, and one for which provision would be made in the Trade Regulations, and therefore not one to be introduced into the Treaty itself.

The Chamber begs to thank his Excellency Sir Rutherford Alcock for giving them this opportunity of expressing their opinion upon so important a point in connection with the revision of the Treaty.

I have, &c.
(Signed) W. J. BRYANS.

No. 50.

Sir R. Alcock to Lord Stanley.—(Received July 4.)

My Lord, *Peking, April* 9, 1868.

I DO not think it would be expedient to attempt the insertion of a clause in any new Treaty to compel the Chinese Government to construct and work railways themselves, or to give the power to foreigners to do so.

I believe both railroads and telegraphs will come; and a beginning may not be so far off as outward manifestations of difficulty or repugnance on the part of the Chinese high authorities would indicate. Like the Mission to Europe, which no doubt was the result of reiterated and continuous discussion of the question by foreign Representatives during a series of years, a sudden resolution to face all the difficulties may come when we least expect it.

All my experience in Chinese affairs leads me to the conclusion that we do not advance but retard great innovations by seeking to deprive the Chinese Government of all free will and spontaneity.

The opinion conveyed in your Lordship's despatch of the 10th of October last, I believe indicates the truest and best policy. By frequent discussion of important questions, whether of administrative reform or material improvements, the Chinese mind gets habituated to consider them in all their bearings, and at last ceases to look with alarm

upon progress in any of these directions. In this way I think I see a gradual change, full of promise, even as regards the introduction of railways. And if they could be induced, of their own free-will, to have a survey made for a short time between the capital and Taku, the port of Tien-tsin, from whence immediate practical advantages would result to the Government and population, a decision to undertake the work might very quickly and easily follow. But if any foreign Representative were to broach the subject, and endeavour to bring about a prompt decision, I feel assured the result would be indefinitely postponed.

The Foreign Board here has yet to be convinced they having nothing to fear from the employment of foreign agencies and capital in such works in the way of dictation and embroilments with foreign Governments, followed by claims for compensation, as the least of the disadvantages attending any forward step. I do not wonder that this danger should ever be before their eyes, and that the fear of such untoward complications should far outweigh any possible benefit to the Government and the country. Nor is it practicable, in my opinion, under existing circmstances, to give them any positive assurance of immunity or security against the realization of their worst anticipations. The true difficulty lies here: and until that can be overcome, I can see no certain hope of the Chinese either taking the initiative, or allowing themselves to be driven into railroad enterprises.

For these reasons, in addition to others, with which I will not now take up your Lordship's time, I am convinced the issue will best be left to the operation of time, and those strong but often indirect influences which constant discussion and intercourse with foreign Representatives and their own European employés bring to bear on the minds and habits of thought, as well as the prejudices of the ruling classes in China.

When the Chinese Government can be made to see clearly the advantage of better means of communication in their own interest, and at the same time be convinced that the dangers and drawbacks attending any great undertaking by foreign agencies in the interior of the country are not more than they can safely deal with, there will be railroads and telegraphs in China, and not before. The introduction of any permissive clause would be very much opposed, and regarded as an endeavour to coerce them in a matter of strictly internal policy; and if carried by any degree of moral pressure, I doubt its hastening or facilitating the end.

Whether the period for the introduction of railroads into China may arrive soon or late, must, I conceive, depend upon the state of their foreign relations, and the policy adopted by the Treaty Powers in respect to Chinese affairs generally.

I have, &c.

(Signed) RUTHERFORD ALCOCK.

No. 51.

Sir R. Alcock to Lord Stanley.—(*Received July* 4.)

My Lord, *Peking, April* 16, 1868.

I HAVE the honour to inclose printed copies of a circular I have thought it necessary to address to Her Majesty's Consuls, for circulation among the British at the several ports, which I trust will meet with your Lordship's approval.

I had two objects in view in this step; the one was to disabuse the minds of the Memorialists of certain fallacies and misconceptions as to the practicability or the reasonableness of some of their suggestions; the other, and more important, to repudiate any responsibility for the language employed in speaking of the Chinese Government and authorities generally, or the views insisted upon as to their rights under existing Treaties. In both directions I see influences at work very adverse to the success of the negotiations I am at present engaged in, for obtaining increased facilities of trade; and it seemed desirable to guard against their pernicious effects so far at least as the identification of Her Majesty's Government or Representative with the Memorials was in question. The Foreign Board here, get translations made of such documents as these when made public, and habitually have laid before them the comments of the local press and their more salient articles. It is impossible but that the censure and abuse heaped upon them in most of these productions should be distasteful, and greatly indispose the Ministers to make any concessions in the interest of those who are so ready to criticize all their acts, and the Government of the country, in the most hostile spirit. Whatever basis of justice there may be in the complaints of the merchants, they have too plainly shown that they have no regard or consideration for either the rights or the interests of others; and the Chinese have a perfectly clear conception that the country has both Sovereign rights and

national interests, which it is their business to uphold, whatever foreigners may think or say to the contrary. Nor can it be supposed that their repugnance to allow free access to the central marts, the navigation of inland waters by foreign vessels, and the working of mines, or other great engineering enterprises, such as railroads, necessitating the residence in the interior of foreigners withdrawn from Chinese jurisdiction—all objects much insisted upon by the Memorialists—will be lessened by the tone and temper in which these,—whether regarded as rights or concessions,—are urged upon their attention. It was the more essential, therefore, that Her Majesty's Representative should not be misunderstood as either approving the language or identifying himself with the views of the writers, while actively engaged in obtaining such advantages as may be practicable by friendly discussion and negotiation.

A circular at this moment on the subject of the Memorialists afforded me the farther advantage of letting the Government here know indirectly, that while taking an independent course, I was convinced many improvements were needed and attainable without any formal revision of Treaties;—and as regarded the main grievance, the arbitrary levy of transit and leking taxes, a remedy must be found for such abuses, either under the present Treaties or by a new Treaty.

I have, &c.
(Signed) RUTHERFORD ALCOCK.

Inclosure 1 in No. 51.

Circular addressed by Sir R. Alcock to Her Majesty's Consuls in China.

Sir, *Peking, February* 17, 1868

I INCLOSE, for your information and guidance, a copy of a communication from His Imperial Highness the Prince of Kung, announcing a reduction of duty on tea dust when under 15 taels in value for 100 catties, from 2 taels 5 mace to 1 tael 2 mace 6 cents.

It would appear that this reduction had already been virtually made in 1866, and was about to be formally authorized when the discovery of an attempt at Hankow, in July of that year, by one of the large mercantile firms, to pass a chop of tea as tea dust on payment of the half-duty, deterred the high authorities from any further action. This may possibly have been the unauthorized act of some agent or subordinate, and one would willingly think so, but the result shows not the less clearly how much the general interest suffers by attempts on the part of individuals to defraud the revenue. It has led, in the present instance, to the maintenance for nearly two years of a heavy tax which the Customs administration were willing, of their own accord, to reduce for the general benefit.

It would seem especially important that attention should be drawn to this subject at the time when Memorials from all the ports are freely circulated in print, charging the Customs with oppressive stringency in their regulations, and the native authorities generally with persistent violations of Treaty and obstructiveness. Apart from the criminative matter, these Memorials demand, with little variation, the relaxation of Custom-house vigilance. Exemption from restrictions and surveillance, together with the better administration of the law in cases of litigation either with the Custom-house authorities or the natives, constitute the burden of the whole.

These documents have all been published and are in the hands of the Chinese. It can hardly be matter of surprise, therefore, if the authorities, in view of such comprehensive demands and indiscriminate denunciations, should be disposed to stand upon their defence, and turn a deaf ear to representations avowedly based upon their alleged malfaisance, lest concession should be construed into a virtual admission of the charges. At all events it is too much to expect that they will not recriminate if there be good grounds for retort. Unless the mercantile community, therefore, be perfectly clean-handed in the matter of Custom-house frauds and violation of Treaty stipulations, their representatives would probably have done better for their interests had they dealt more sparingly in charges of bad faith and disregard of Treaty engagements. The tone of virtuous indignation in which such acts are condemned would, of course, be just as applicable to foreigners as to Chinese upon conviction. Such arms as these, when employed against foreign Governments, however immaculate the assailants, are seldom without a dangerous recoil, however safely they may be used against their own. And, whether the objects sought be claimed as concessions, or demanded as Treaty right, a flourish of weapons of any kind hardly seems the best mode of preparing the way for successful negotiation. And, desirable as greater freedom of trade and increased facilities

for its extension may be, Her Majesty's Government cannot be supposed likely to seek the promotion of such object by any means incompatible with the maintenance of those international relations of amity and commerce for which existing Treaties were made.

Whatever may be thought of the canons of interpretation by which a clear right is educed from the text of the Treaty of Tien-tsin, with its exterritorial clause, to trade without limit or control in the interior, to buy land and set up permanent establishments throughout the provinces, to navigate, in foreign vessels, all inland waters, to work mines and lay down railroads and telegraphic lines across the face of the country, irrespective of the wants or wishes of the people and the will of the Government, it must, I think, be very evident those are measures which either presuppose the complete command of the country or the willing co-operation of its Government. The first means the disintegration of a great Empire; the second, a mutual agreement between the High Contracting Parties. Which of these do the Memorialists contemplate? If the latter, they need hardly be told that any course which makes negotiations more difficult and concession less attainable, is unwise as a matter of policy, and cannot fail to be prejudical to the interests of those who seek to profit by both.

For this reason, if for no other, these Memorials cannot be allowed to pass entirely without notice. Without stopping to point out the many fallacies and grave misconceptions which run through the various documents—though some of these are eminently calculated to mislead the mercantile communities in China, to their prejudice—I deem it incumbent upon me to take care Her Majesty's Government shall in no way be identified with the Memorialists.

Their views and the arguments are their own, and it is enough that it should be known the responsibility of the Government is completely disengaged.

With this notification I should willingly leave the subject without further observation, but as the Memorialists, those of Hong Kong more especially, have expressed a particular desire to know how far the recommendations of their Memorial coincide with my views, I add a few remarks on the three principal heads under which all that has been advanced in the several addresses may be roughly classed.

1. The Tariff of maritime duties, and action of the Custom-house administration in their collection.

2. The administration of justice in cases of dispute with the Custom-house authorities, and in mixed cases where natives are concerned.

3. The system of inland duties and the abuses attending their levy.

In reference to the first head, the Tariff of maritime duties and the Custom-house administration, a clear understanding of the conditions under which foreign trade has been placed by existing Treaties is necessary to any fair or intelligent examination of the questions raised. The right to trade in China exists for foreigners only by virtue of the Treaties. And the right has been conceded by the Emperor, subject to the obligation of paying certain duties specified in the Tariff.

This right to levy duties and collect a revenue on trade by such means as are usually adopted in every Western State is therein explicitly and distinctly recognized. But lest there should be any lingering doubt on the subject, the Chamber of Commerce at Shanghae appears to have been at the pains to obtain, and with great candour has given publicity to, the opinion of "two of the best legal authorities in England in conjunction with very able associates," and that opinion declares the right to levy duties, and by confiscation and fines to enforce payment and protect the revenue from attempts at fraud," is among the rights of sovereignty of the Chinese Government which have not been given up by Treaty.

And in the exercise of this right every Government compels obedience to the Custom-house laws and regulations in all who trade within their territories, on pain of confiscation, fine, or other penalties. The Chinese Government not only have not given up this Sovereign right, but care has been taken that it should be recognized in the most explicit terms in all the Treaties entered into with foreign Powers.

In the Treaty of Tien-tsin, for instance, Article XLVI provides that "the Chinese authorities at each port shall adopt the means they may judge most proper to prevent the revenue suffering from fraud or smuggling." This, then is the true point of departure for the consideration of all questions connected with the Customs administration and their regulations.

As a rule, it is evident that the number of stringency of such regulations or formalities must have some relation to the difficulty experienced in collecting all just dues, and securing the revenue against loss by fraud or smuggling on the part of the traders from whom payment has to be exacted.

Free ports might probably be more advantageous and agreeable to the foreign merchant, as has been suggested in one of the Memorials, although I think the first of

these results is very doubtful. But it is enough to observe that free ports are not the condition under which it has seemed good to the several Governments in Treaty with China to place the trade. Unless merchandize could be secured from all inland taxation, however, it is very evident that nothing would be gained, and in taking away all direct interest of the Chinese Government in the preservation or extension of foreign trade, the best security for its protection would be lost. The Hong Kong Chamber of Commerce informs the Secretary of State for the Colonies that the Treaty of Tien-tsin is based on an intercourse of reciprocity. So, I think, Her Majesty's Government has always understood; and it is strictly in accordance with this principle that the same right of taxation is reserved by Treaty to the Emperor of China which is freely exercised in the Queen's Dominions on all foreign trade.

The only questions of practical nature, therefore, are plainly such as have reference either to the mode of collecting duties or their rate.

As regards a remedy for any defects in the first, a revision of Treaties is not necessary. There is no reason why any changes which experience may have shown to be desirable should not be at once proposed and obtained by the ordinary means at the disposal of Her Majesty's Minister. Without going into the particulars specified in the several Memorials, or pledging myself to adopt the same views in each case as the Memorialists, I have lost no time in bringing the whole subject under the consideration of the Foreign Board, with a view to the adoption of such suggestions as may seems practicable, and not incompatible with the legitimate interests of the Chinese Government, and even as to a reduction of duties, although there is not the same right to discuss them without a demand for a formal revision, I do not anticipate from my knowledge of the disposition of the Tsung-li Yamên that any difficulty will be experienced in obtaining a fair consideration of those proposed, and the desired reduction, subject to the same condition of its being compatible with a due regard to other interests. The number of articles does not seem to exceed some ten or twelve; and if it can be shown that a great advantage will result to the foreign merchant, without any grave prejudice to the Chinese revenue or native trade, it may fairly be presumed no difficulty will be made. It seems very doubtful to me, however, whether the reduction proposed, in some cases at least, would materially benefit foreign trade. As regards native coal, for instance, which is one of the articles enumerated, the duty levied at the pit's mouth—at the mines in this province and in Formosa—although a source of revenue and profit to the people who own them or the provincial treasuries, form, in reality, so small an item in the selling price of the coal by the time it reaches a shipping port, that I doubt exceedingly whether a single ton would be added to the consumption or export by the reduction proposed. The cost of carriage to the coast is so large an item that the royalty or duty forms but a very fractional part of the selling price. These are matters, however, for further investigation.

In reference to the demand of the Memorialists for increased facilities at the Custom-houses and less stringent regulations, the only ground, obviously, upon which any or all of the facilities desired can be demanded by one Government of another, is the compatibility of such concessions with the security of the revenue, and the recognized right of the Emperor to collect it:—and as regards the relaxations of Custom-house rules more especially, the amount of trust that may safely be placed in the honesty and good faith of foreign traders. It is upon this ground that the Chamber of Commerce at Hong-Kong have very properly based their demand for the removal of the restrictions they object to, and the grant of new immunities. They appealed to the experience of the Maritime Customs under the foreign Inspectorate, as furnishing decisive evidence that attempts to defraud the revenue on the part of foreigners are not systematically practised. Nothing can be fairer; and the Chinese Government must be very willing to acquiesce in any verdicts based on the witness borne by their own Custom-house administration. But they will undoubtedly not act without such evidence, or against it, and I think you will do well at once, therefore, to obtain from the Commissioner of Customs at your port, an authentic record of the number of cases of irregularity or smuggling detected during the past year, with a report of the general results of their experience. There will then be a solid foundation to build upon; and the question of greater facilities can be satisfactorily dealt with at once. Any relaxation of stringency, or simplification of administrative forms compatible with security, would be an undoubted gain to both parties. The Chinese Government would save in the diminished expense of their establishments; the merchant would gain in freedom from restrictions and quicker despatch;—and every Treaty Power would have reason to rejoice at the attainment of so desirable a result.

It is evidently a question, however, which must turn on the results of experience already gained. The records of the past will have to be consulted. My knowledge of the disposition of the Inspector-General of Customs leads me to conclude that there is every

desire on his part to give the greatest possible freedom compatible with the collection of the revenue. Less ought not to be given, and more cannot be claimed. But if it be true, as is frequently alleged, that there is no country in the world, perhaps, where the maritime duties are so light as in China, and none in which the Customs rules and procedure press less heavily on Trade, it must be very difficult to make out a case of exceptional hardness so strong as to justify a demand for extensive change of system or administration.

The various modifications, however, suggested in the matter of drawbacks, both as regards extension of time and mode of payment—the collection of coast trade duties at the same time with the exports; the abolition of tea bonds; these and other questions raised in the Memorials are all under consideration, in order to determine, in communication with the Foreign Board, how far such changes as have been suggested, are practicable, and can be effected with general advantage.

But there are many conflicting interests to be considered, and, if possible, reconciled even in respect to foreigners; and the task is by no means easy. Drawbacks, for instance, cannot, I understand, be paid in cash as suggested, without risk of serious loss to the Customs, and complication of accounts, the price of sycee differing from day to day. Again the collection of the coast trade duty at the same time with the export duty is to enable the carrying river steamers to come and go rapidly; the steamer interest, therefore, would certainly cry out against any change in this direction. Neither do I conceive, from the information before me that the proposition to do away with the tea bonds would be received favourably by those chiefly interested. Formerly, the coast trade duty had to be lodged for tea; that was done away with in the interest of the foreign shipper, and bonds substituted. The revised Yang-tsze Regulations of November 1862 provided for the simultaneous payment of full export duty on goods shipped by river steamers, and for the return of the half import duty in the event of the goods being sent to a non-Chinese port within three months. In June of the following year the Yamên was induced to extend the period allowed to twelve months, and in the winter of 1864 the authorities consented to regard tea as a special shipment; that is to say, nearly all the tea that leaves the Yang-tsze ports being for foreign shipment, it was agreed that it should not have to deposit half import duties at the time of shipment, and that the shipper would simply enter into a bond, the conditions of which were that from that date he would within twelve months either produce a certificate from the Shanghae Customs proving re-export, or failing that, pay the half-import duty.

Thus it appears there has been a succession of measures adopted entirely in the interest and for the convenience of the foreign merchant, and up to the present time they were thought to have fully answered the end contemplated, and pleased both the owners of goods and owners of steamers. The Hankow Memorialists now propose to get rid of the system of bonds and the simultaneous collection of the coast trade duties, on the ground that the first is superfluous, and the second a cause of delay and inconvenience. There is here an evident conflict of testimony, which probably covers some similar conflict of interests; but at all events before any change can be proposed there must be a careful investigation. By the present rule, as all the tea leaves within the twelve months, the half duties, amounting to some 600,000 or 700,000 taels, are left for that period in the merchant's hands, to be turned to profitable account, instead of being locked up for months in the Custom-house banks. And this is an advantage not to be lightly thrown away.

As to any sweeping reduction of the Tariff to one-half the present rates boldly proposed by the Hankow and Hong Kong Memorialists, on a plea of reciprocity and probable immunity from any serious loss to the Chinese revenues, it may be sufficient at present to remark that, while the duty on tea in Great Britain is still 50 per cent., the ground of reciprocity seems to be a very bad argument for a further reduction upon a duty of 5 per cent. And as to the probable loss or gain to the revenue of China, it is usual for Governments to form their own opinions on such matters, and those of the Government of China, so far as my information extends, are not very likely to be in accordance with the conviction of the Memorialists, that by lowering these rates to $2\frac{1}{2}$ per cent. "they will be gainers in actual revenue." At any rate if such a proposal were made to them they would in all probability have something to say in a contrary sense under both heads —that of reciprocity and improvement of revenue—which would neither be altogether irrelevant nor inconclusive. The better opinion as to the existing Tariff seems to be that recorded in the Memorial of the Chamber of Commerce at Shanghae, where it is stated that "in the Tariff of duties important alterations are not called for," and by Messrs. Jardine, Matheson, and Co., in their separate Memorial addressed to the Governor of Hong Kong, that "the present Tariff is a just and liberal one, and the articles upon which they press unfairly are few and of minor importance." Of these few articles, among those

specified tea dust is one, and the duty has already been reduced one-half, and in respect of the remainder the question of reduction is under examination.

In regard to the second subject, the better administration of justice in cases of dispute with the Custom-house authorities or litigation between Europeans and natives, it has long been under serious consideration, and various steps have been taken, some very recently, though not yet quite perfected, to attain the very desirable end in view. I quite agree with the Memorialists that there is much need for the establishment of some form of International Tribunal; the "Tidjerat," long in successful operation in Turkey, furnishes us with an example, by which prompt and impartial justice may be done in all mixed cases. A T'ung-chih, or corresponding rank, with a Prefect or Sub-Prefect, is about to be appointed to reside in the settlement north of Yang-king-pang at Shanghae, to preside over the Mixed Court there, with special powers and jurisdiction to enable him to give effect to the judgments of the Court in all cases where natives are concerned. A Yamên and Court-house has already been built; and some definite basis of law and procedure is also under consideration. I hope at no very distant period this may be brought into such shape as will admit of practical application. The difficulties in the way of all such innovations on the established laws and customs of the country, and the constitution of a Tribunal for which no distinct provision has been made in the Treaties, are necessarily great. All legislation for such an end must, in the first instance, be tentative, and more or less hesitating and progressive in its advance from small beginnings. An institution of this kind, if it is to have any permanence or success, must be of native production, however fashioned and nurtured by foreign culture and grafts; and time must be allowed for assimilation of new elements and the penetration of the roots deep into the soil. Impatience at such slow processes will not advance any good work, and is only likely to destroy all present chance of healthy growth.

In regard to questions of litigations or dispute between the foreign merchant and the Custom-house, there is not the same difficulty; and, taking the existing four Rules, which have been provisionally in force at Shanghae to regulate cases of confiscation, as a basis, the principle of these has been applied more extensively, with certain modifications, so as to include all cases of dispute, whether confiscation or fine be in question, and these will be made equally applicable to all the ports. I trust very shortly to make known to you the provisions to this end now under final revision, with special instructions as to their general bearing and application.

In so far, then, as changes or modifications may be required to give fuller development to the principles on which existing Treaties are based, and better execution of the provisions regulating the conditions of foreign trade in China through the medium of an administration of maritime Customs at the ports, an effective revision is already in progress, with every disposition on the part of the Chinese Government to give it effect, and to sanction such modifications as experience may have shown to be desirable in the interests of trade.

It is not in this direction, however, that relief is to be sought for what is most real or serious in the grievances set forth in the Memorials; but in the fiscal system of the Provinces, and the levy of inland duties, with all the accompanying obstructions and abuses which constitute the greatest obstacle to the extension of trade and the free exchange of the staples of foreign trade, whether import or export. The abuses are manifold, and press heavily upon the springs of commercial activity and development. There also the greatest difficulties are encountered in the way of redress or improvement. I entirely agree with the Chamber of Commerce of Shanghae that the most essential questions for consideration are those connected with "the *bonâ fide* admission into the country of English manufactures." To this end free communication between the great markets of the interior and the coast, increased facilities for the transit of goods and produce, greater security for their safe transmission, and exemption from all arbitrary charges or vexatious delays are all wanted. These essential conditions of any large extension of trade are, of course, connected with the question of material means necessary to the end. The right of residence in the interior—of inland navigation for vessels of foreign build, and the establishment of such improved facilities of transit and communication on land as only railroads and telegraphic lines can fully supply, are undoubtedly among the principal of these, and cannot be left out of consideration whether in the Treaty or not.

But it is not less clear that these are conditions involving the gravest questions of national policy, and point to objects only attainable by fundamental changes, not only in the whole fiscal system of administration throughout the Empire, but in the relations existing between the provinces and the central Government. The question of transit dues and inland taxation is more important than any other to merchants. Unfortunately, it is

also one of deepest interest to the provincial revenues, and all who are responsible for the means of Government, and hence, mainly the hitherto insuperable obstacles to any satisfactory settlement. From the signature of the first Treaty at Nanking to the present moment all attempts to deal with it successfully have failed.

The provisions in both Treaties have proved wholly inadequate to secure the end proposed. When the Treaty of Nanking was signed, in ignorance of many things now known as to the fiscal system and other practical details, as well as the theory of the Provincial Government in China, the endeavour was made to meet the difficulty by an Article in the Supplementary Rules, designed to fix a limit by reference to the amount (left blanks) leviable on native goods in transit.

After twenty years' experience a further effort was made in the same direction by a stipulation that in no case should this amount exceed $2\frac{1}{2}$ per cent. *ad valorem*, with reservation of a right of commutation in one payment at the port of entry to give total exemption; and a system of transit certificates and papers was devised to give this practical effect; but this, like the first, has been in a great measure a failure. Not altogether, however, it must in justice be admitted, by the malversations or bad faith of natives. The foreigner has also contributed his full share to make the whole system unworkable, as might be very plainly proved were this a fitting place or time to enter into such a discussion. The main result is what chiefly concerns us now, and how a remedy is to be provided. To this end it would seem there is need of some fundamental changes in the existing stipulations of Treaties which may modify some of the conditions under which foreign trade in the interior is conducted. But this is a subject for the consideration and decision of Her Majesty's Government alone, and in the meantime the Memorialists must be content to know that their complaints of defective execution of the Treaty in this and other particulars have been laid before the Principal Secretary of State for Foreign Affairs, with the additional information that I think there is great room for improvements, and urgent necessity for some effective measures to facilitate trading operations in the interior.

You will communicate this despatch to any of the signataries of the Memorial from your port, and to the British community generally residing within your jurisdiction.

(Signed) RUTHERFORD ALCOCK.

Inclosure 2 in No. 51.

The Prince of Kung to Sir R. Alcock.

(Translation.)

HIS Imperial Highness the Prince of Kung, &c., makes the following communication.

In the seventh month of the fifth year of T'ung-chih (September 1866), a despatch was received from Mr. Commissioner Fitzroy, representing that some change was desirable with regard to the duty on tea-dust, the value of this article being inconsiderable, it seemed hardly just that the same duty should be levied upon it as upon tea.

It came, however, under the notice of the Tsung-li Yamên that in the fifth month of the same year (July 1866), Messrs. Dent and Co. shipped 591 loads of tea at Hankow, for which they paid only half the proper duty, representing it to be tea-dust, a falsification which was discovered by the Customs officials on examination. It was on this account thought unadvisable to lighten the duty on tea-dust, and orders were accordingly issued to the several ports to levy the same charges on tea-dust as on tea.

In the twelfth month of the fifth year (January 1867), a despatch was received from the Inspector-General of Customs also, in which he observed, with reference to the falsification by Messrs. Dent and Co., that, on its discovery by the officials, the firm should of course have been required to pay the whole duty. It seemed hardly just, however, that tea-dust, which is a coarse and inexpensive article, should pay the same charges as tea; he thought it would be a more equitable arrangement if a smaller duty were levied upon it.

Seeing that Messrs. Dent and Co. had been required to pay the full duty, the Yamên considered that nothing further need be said about the matter; but with reference to the question whether or not the duty on tea-dust should be lowered, it was necessary to wait until the Northern and Southern Superintendents of Trade had considered the details of the case, and made their reports.

In the spring of the sixth year (February, March 1867), the Northern Superintendent stated that in his opinion the duty on tea-dust might be reduced to half that on tea. The reply of the Southern Superintendent had not yet arrived, but in the sixth year, eleventh month, second day (November 27, 1867), a despatch was received from him in which he quotes a report from the Taoutae of Hankow. The Taoutae states that "there is a great

difference in price between tea, properly so called, and tea-dust, which comes exclusively from Hunan and Hsiang-t'an, and consists principally of the refuse dust of red tea, mingled with a few stalks." The Superintendent remarks that whether or not the duty is to be reduced one-half, namely, to 1 tael 25 mace, depends, of course, upon the conclusion the Tsung-li Yamên may arrive at.

The Yamên, having thus ascertained that tea-dust is a cheap article exported from Hsiang-Nan, and that if the duty on it remain at 2 taels 5 mace it will be prejudicial to the welfare of the merchants, has consented to make a compromise.

It is therefore ordered that the following alteration shall be made in the Customs Rules:—If the tea-dust do not exceed in value 15 taels per 100 catties, a duty of 1 tael 25 mace shall be levied on it; but if it be above this value, the duty shall remain as before, viz., 2 taels 50 mace. Orders have been issued to the Northern and Southern Superintendents of Trade, as well as to the Inspector-General of Customs, to have this regulation carried out; and it was also requisite to write to Her Britannic Majesty's Minister on the subject for his information.

With the object of preventing the falsification referred to above, it will be necessary to act in accordance with Rule 10 of the Treaty, which distinctly states that it is "at the option of the Chinese Government to adopt what means appear to it best suited to protect its revenue accruing on foreign trade."

The Northern and Southern Superintendents of Trade will therefore meet the Commissioners of Customs and arrange for the carrying out of the following regulation:—When a vessel freighted with tea-dust is about to leave a port she must be examined on her arrival at the jetty, and on payment of the duty be allowed to proceed, and similarly with a vessel arriving at a port. But if a cargo of tea be falsely represented to be tea-dust the officers shall be empowered on discovery to confiscate the whole of the goods. This is a perfectly just measure, and one calculated to prevent falsification.

It is requisite to inform Her Britannic Majesty's Minister of the reduction of duty and of the regulation which has been made, that he may acquaint the foreign merchants of the change.

A necessary despatch to Sir Rutherford Alcock, K.C.B., &c., &c., &c.

T'ung Chih, 6th year, 10th moon (December 29, 1867).

No. 52.

Sir R. Alcock to Lord Stanley.—(*Received July* 4.)

My Lord, *Peking, April* 25, 1868.

AS Mr. Winchester has informed me he sent direct to your Lordship copy of his despatch to me of the 11th April on the subject of inland navigation, I have the honour to forward copy of my reply that the whole subject may be under notice, and a printed copy of the circulars and replies elicited from the Chamber of Commerce.

I may well feel at a loss what to seek in the interests of the merchants when all they can tell me on the subject of their wants is, they desire generally to go all over the country, without any precise information as to the places or centres of trade to which it is most important they should have access. Unlimited and unconditional access is certainly not attainable by negotiation. Some more limited demand might be listened to, and in the end obtained.

The Consul's reflection on the vast system of inland navigation which is connected with the Great River does not tend to clear the subject. I do not know why either the magnitude or intricacy of the water communication should have oppressed him. Certainly, both have been very generally known for a long time, and their consideration presented no novelty.

I have, &c.

(Signed) RUTHERFORD ALCOCK.

Inclosure 1 in No. 52.

Sir R. Alcock to Consul Winchester.

Sir, *Peking, April* 25, 1868.

REFERRING to your despatch of April 11 and its inclosure, I perceive, not indeed with any feeling of despair, but with something of regret, if not surprise, that practical men

whose interests are deeply concerned, having been asked a plain, practical question as to the marts known—not supposed—to exist in the district where their trade is carried on, and to which they as merchants wish to have access, the only reply from both merchants and Consul is a reference to the appalling extent of the Yang-tsze and all the surrounding water-routes in the valley, and the consequent impossibility of furnishing an enumeration of particular places or any specific data. The expression of a general desire to go everywhere ill supplies the place of such information, and the reply received is certainly not calculated to advance the knowledge of Shanghae requirements.

If the Chinese were prepared to throw open all the interior without limitation or conditions, the vagueness of the answer and the absence of all positive information would not be of so much importance. But if, as seems more probable, it will require all the efforts of any foreign Powers, or of the whole collectively, to obtain the right for their subjects to go freely to certain specific places by equally defined or well known routes, to make the larger demand is simply to insure failure.

It has been doubted whether the inland navigation so much insisted upon by the Memorialists generally will pay merchants to engage in it. It is alleged that they will never run Chinese craft as cheaply as Chinese, and their steamers will not make up, by stowage, speed, or avoidance of land taxation, for their great expenses. But be this as it may, it is, I think, evident that the main advantage will be found in security for the transmission of treasure into the tea and silk country, and exemption of goods and produce from detention and arbitrary taxation. And it necessarily follows that such advantages are to be principally, if not exclusively, sought on certain trunk lines leading to and from the great tea and silk districts, and the chief centres of consumption or distribution of foreign goods. But if the foreign merchants of Shanghae have not at this time obtained any fixed information either as to the first markets or the best routes to them, how are they to profit by any negotiation to open access for them, or where is the necessary information to come from that should guide the negotiator in his demands? Considering that during the Taeping rebellion foreign houses had some eight or ten small steamers engaged with scarcely any let or hindrance plying in the interior and navigating the Yang-tsze and various inland water-routes, I must confess to some astonishment that with such opportunities there should have been no information whatever forthcoming susceptible of being turned to any account now that there is a disposition to consider how far the object of their desire is attainable. As for the answer alleged to have been given by his Excellency Tsêng Kwo-fan in respect to local mines, connecting his refusal with the despatch of the Chinese Mission to Europe, I should attach no importance to it even if it were better averred. The provincial authorities have never been at a loss for an argument or an excuse for deferring whatever may entail responsibility or involve innovation. And Mr. Burlingame's Mission would serve as well as any other. No such language, however, has been held by the superior authorities here, nor have I any anticipation that it will be adopted as an answer to proposals for practical improvements.

Your, &c.
(Signed) RUTHERFORD ALCOCK.

Inclosure 2 in No. 52.

Newspaper Extract.

TREATY REVISION.—WE publish below an interesting correspondence which has passed between Sir Rutherford Alcock and the Shanghae Chamber of Commerce, regarding the desirability of establishing bonded warehouses, and the places which they desire thrown open in the interior for residence:—

"*Her Britannic Majesty's Consulate, Shanghae,*
Sir, "*March* 30, 1868.

"I received yesterday by the 'Nanzing,' from Her Britannic Majesty's Minister at Peking, two important circulars in connection with inquiries now in progress at Peking, preliminary to the anticipated revision of the Treaty, which I hasten to communicate to you, in the hope that the Chamber will favour me at your earliest convenience with a reply

for transmission to the capital, embodying such views and information as may be deemed likely to assist the arrangement of the points referred to.

"I have, &c.

(Signed) "CHAS. A. WINCHESTER,

"*Her Britannic Majesty's Consul.*

"Chairman of the Chamber of Commerce."

"Sir, "*Peking, March* 20, 1868.

"Among the numerous wants of the mercantile communities enumerated in the various Memorials, that of bonded warehouses finds place only in the one received from Tien-tsin. Whether it is to be inferred from this that, at the other ports, their introduction is not considered necessary or desirable, is a question which I should like answered by direct reference to those interested in the trade of each port. Considering the importance attached to the establishment of bonded warehouses in all other countries by mercantile bodies, if any special conditions in the Treaty ports of China render them superfluous, it would be well to have a distinct statement on the subject.

I have, therefore, to instruct you to make the necessary inquiries, and report to me the result.

"Your, &c.

(Signed) "RUTHERFORD ALCOCK.

"Her Majesty's Consul, Shanghae."

"Sir, "*Peking, March* 21, 1868.

"Referring to the numerous Memorials received from the mercantile communities in China, and the unanimity with which they have urged the importance of increased privileges in the navigation of inland waters, for the transport of their goods to the places of consumption, and Chinese produce from the place of origin, I should be glad if some more specific information as to the extension of the chief markets for either; the means of access to them by water, whether river or canals: their distance from the Treaty port; and the districts within which a right of residence of a conditional kind might be conceded with advantage to the trade of each port.

"I have to instruct you, therefore, to lose no time in obtaining the best information on these points, and, if possible, to furnish me with a sketch map, giving routes and relative situations and distances of towns and districts, giving the Chinese characters by which they are designated, to which access by water or otherwise is more particularly required.

"If upon such map it were also possible to indicate the position of barriers or local customs, where transit dues according to the present system are levied, it would add much to its practical value.

"Your, &c.

(Signed) "RUTHERFORD ALCOCK."

"*Shanghae General Chamber of Commerce,*

"Sir, "*Shanghae, April* 9, 1868.

"The Chamber has to acknowledge receipt of your letter of 30th ultimo, covering copy of despatch from his Excellency Sir Rutherford Alcock, of date 21st ultimo, asking for more specific information regarding the privileges asked for by the Shanghae Memorialists, *in re* the navigation of the inland waters of China, viz., the distance, &c., &c., of the towns and cities to which access is sought, from the Treaty port.

"The Chamber begs to state that, as regards the towns and cities to which access is sought, they can only enumerate as instances such places of similar classification to Soochow, Nanzing, Haining, Taiping, &c., in this province, and Hang-chow, Hoo-chow, and Hwuy-chow, in the province of Chekiang: in other words, such places as those for which Shanghae is at present the importing and exporting mart.

"The Chamber cannot, however, confine the requirements of the Shanghae Memorialists to those places above named; for there are doubtless many which, from the limited access granted to foreigners to the interior of the country, they are unable to point out, which may be of equal importance to the trade of this port, both as regards imports and exports, or may become so in the event of the concession to foreigners of the navigation of the inland waters by the Chinese Government.

"The limited information possessed by the Chamber, from the reasons above stated also precludes them from being able to reply to that portion of Sir Rutherford Alcock's despatch as to the means of access to such places as may be advantageous to commerce, whether rivers or canals.

"The Chamber, therefore, only feels itself in a position to generalize its remarks by stating that the wishes of the Memorialists extended to free access to all places easy of approach by water, which can be supplied from Shanghae with foreign goods, and can supply Shanghae with Chinese produce. Such markets can only be found by experience.

"The Chamber, owing to its being compelled to obtain its information from native sources, feels that in regard to the general barriers or native customs of this province, it cannot give an exact reply to his Excellency's inquiries without leading to question by the Chinese Government; and therefore abstains from doing so. But as an example of the system that prevails, has ascertained the following to be the local customs between this port and Soo-chow,—the barriers being too numerous to mention. And if such are so numerous in the limited distance referred to, it may readily be implied how serious are the obstacles to the transit of manufactured goods into the more distant towns of which this is the emporium :—

"Poo kong wong szu.
"Ming hong—on Wangpoo.
"Na kong.
"Maou kaou sa jaw.
"Na kong.
"Tsi paou.
"Sze kong kew—examine certificates.
"Pow kong.
"Chu ta yah miao—Soo-chow Creek.

"The first four are the points of departure from Shanghae, one of which must be passed by all boats going to Soo-chow; the other four are where the heavy exactions are made, after leaving which innumerable barriers intervene, at each of which a small tax is levied for viséing the passes issued at one of the four first named. It is stated by native traders, that the levies between this port and Soo-chow amount to about 10 per cent. on woollen, and 6 per cent. on cotton goods, at present values.

"I am, &c.
(Signed) "W. J. BRYANS, *Vice-Chairman.*"

"*Shanghae General Chamber of Commerce,*
"Sir, "*Shanghae, April* 9, 1868.

"The Chamber have to acknowledge receipt, with your letter of 30th ultimo, of a copy of a despatch from his Excellency Sir Rutherford Alcock, of date 20th March, requesting the opinion of the Chamber with reference to the matter of bonded warehouses at this port, and commenting upon the fact that the only memorial on the subject of the revision of the Treaty of Tien-tsin, which alluded to the system, was that received from the Tien-tsin community.

"In reply, the Chamber begs to state, as its opinion, that the system of bonded warehouses would greatly benefit the trade of this port, and the absence of any allusions to the subject in the Memorial of this community must be traced to the impression formed by the Chamber that the subject was one already under discussion with the Chinese authorities at Peking, and one for which provision would be made in the Trade Regulations, and therefore not one to be introduced into the Treaty itself.

"The Chamber beg to thank his Excellency Sir Rutherford Alcock for giving them this opportunity of expressing their opinion upon so important a point in connection with the revision of the Treaty.

"I have, &c.
(Signed) "W. J. BRYANS, *Vice-Chairman.*"

No. 53.

Lord Stanley to Sir R. Alcock.

Sir, *Foreign Office, July* 6, 1868.

I HAVE received your despatch of the 16th of April, and I have to acquaint you that I approve the circular which you have addressed to Her Majesty's Consuls, a copy of which is inclosed in your above mentioned despatch.

I am, &c.
(Signed) STANLEY.

No. 54.

Sir R. Alcock to Lord Stanley.—(Received July 27.)

(Extract.) *Peking, May* 5, 1868.

I SEE, by one of the London papers received last mail, that your Lordship is expected to solve, before Mr. Burlingame's arrival, the confessedly-difficult question, "how best to give full efficacy to the Treaty of Tien-tsin, without disturbing our relations with China?" And the Foreign Office is advised "to make up its mind whether to insist on or to abandon the full advantages of the Treaty as to the right it gives of free access to, and residence in, the interior of China, which up to this time has been a nullity."

One would like to ask what amount of efficacy could be given to Treaties in any country in Europe, in such a state of civil war and disorganization as the Chinese Empire has been for the last twenty years, and is at this day? Or what benefit would be likely to result to trade in any other article than prohibited arms and ammunition, from the freer access to the interior by foreigners, so much insisted upon, and how far life and property could be secured by any Government, foreign or native?

It is now three years since a revolt among the Imperialist troops, left without pay, led to the looting of the town of Tsung-yang above Hankow, where many foreign mercantile firms had Chinese agents with funds for the purchase of teas, These, like rest of the inhabitants, were subjected to violence and robbery. Six men in the employment of Messrs. Jardine and Matheson were carried away, and have never since been heard of, and the property entrusted to all the agents was reported to their employers as lost. It may, or may not, have been so lost, either in whole or in part: but the Chinese Government have not to this day consented to accept the only evidence that could be offered as conclusive; and no redress has accordingly been obtained either by the Russians, who also had agents there, or by ourselves.

This figures in the Memorials as one of the standing griefs of the merchants against the Chinese Government and Her Majesty's Representatives. The evidence in such cases can never be of that authentic and conclusive character that leaves no room for doubt or possibility of exaggeration, more especially when the agents are natives; and hence the difficulty of enforcing redress by negotiation.

It may reasonably be asked, therefore, if foreigners were generally scattered through the interior, and resident at different points with their goods and other property, by what means could they be secured from the spoliation, or compensation obtained? If lost in civil war it could not be claimed in accordance with international law; and even in a case like that of Tsung-yang, when the Government can be held responsible for the acts of their own troops, the very circumstance under which spoliation takes place precludes the production of any legal evidence of the exact value of articles or property lost.

Would the merchants have each foreign Government, as often as such cases arose, proceed at once to acts of retorsion, by seizing Chinese property, or laying violent hands on the Customs? That might, indeed, answer for once or twice; but how long could trade and amicable relations go on under such a system? or how long would any regular administration of Customs survive? Destroy that source of revenue, and what other motive can the Chinese Government have for giving facilities to foreign trade?

Moreover, according to the law and custom of China, not very different from our own, if property be lost in a riot or by civil commotions, the owner of the house where the robbery takes place, or of the quarter of a city, is bound to make good the loss. What would be the result upon trade and its best interests if these Tsung-yang claims, to the extent of some 50,000 taels, were extorted from the town, or the unhappy proprietors of houses looted who have given lodging to the agents of the foreign merchants? Would foreigners, or their agents either, succeed in gaining accommodation in future, or even a

peaceable right of residence in the interior, if compensation for losses shared in common with the townspeople were thus to be enforced upon the latter, or even more exclusively upon the proprietors or leaseholders of the houses they lodge in?

These are but a few of the difficulties which present themselves when considering, first, the practicability, and, next, the expediency, of giving effect to the wishes of the Memorialists for freer access to the interior, with right of residence wherever they may find it advantageous to locate themselves for purposes of trade and the navigation of inland waters in foreign-built vessels. The exterritorial clause, with the immunity it secures from all native jurisdiction, and practically from all control, by the obvious impossibility of establishing Consular authorities of the different nationalities throughout the interior of this vast Empire, is assuredly an objection not easily removed. Were the country in a quieter state, and public order maintained with an effective administration of the laws, the objection would still exist. But how much more serious is the obstacle it creates when the actual condition of things is taken into account? What foreign government can undertake to secure the Emperor of China from a new element of danger being imported by foreigners if they are freely admitted into the interior, in a perpetual breach of the laws of neutrality, by the least reputable of them joining the ranks of the insurgents, and by merchants and traders of every denomination keeping them supplied with arms and ammunition? At the present moment a state of internecine war in Japan has been publicly notified by the foreign Representatives, and, under the law of neutrality, any traffic in arms is prohibited; and with what result? Every number of the newspapers published in that country refers to the general stagnation of foreign trade, with one exception,—the traffic in arms and munitions of war, which flourishes largely. So it was during the Taeping war in China, and so all experience tells us it will be again, as often as the temptation of large profits exists, and facilities for a contraband trade in such prohibited articles can be found, all laws and prohibitions to the contrary notwithstanding. Is there any Government in the world engaged in a struggle for existence, and with insurrection everywhere rampant, that would voluntarily accept a proposition which must manifestly add greatly to their danger and bring foreign assistance to the rid of their enemies?

Finally, is it quite clear that the merchants who have with so much unanimity appealed to Her Majesty's Government for this right of residence in the interior, with unrestricted access in vessels of their own through the inland waters, released, in a great degree, from all surveillance or power of obstruction by the native authorities (for, unless this be conceded, little will be gained of what is really sought in regard to put it differently, the best interests of trade? When the Treaty of Tien-tsin was made, now some ten years ago, the cry for more ports and the opening up of the Yang-tsze, as far as Hankow, was equally unanimous and loud. Their desire was granted, and with what result? Universal bankruptcy, the nearly total transfer of the foreign trade into native hands, and the unoccupied land at all the ports at once eagerly bought up at speculative prices and now worthless; even where expensive houses and godowns have been built upon them, attest. I doubt whether there is a single merchant in China now who does not rue the day that the wish of the whole mercantile body was acceded to, and more ports, from New-chwang to Swatow, were opened by Treaty. Many of the Memorials acknowledge that such numerous ports have only been fruitful of loss; that the necessity of maintaining so many different establishments has locked up their capital, wasted their means, and absorbed all their profits, and that more ports would only add to their difficulties. What they now want is, the power of locating themselves in twice as many places in the interior. But apart from the question of how far this could be accomplished without entailing exactly the same disadvantages experienced by the multiplication of trading stations on the coast, additional expenses incommensurate with the increase of trade and its resulting profits, what have merchants to gain from access to first hands, the producers or consumers, in the great inland centres, if from want of any common language as a medium of communication they can hold no direct intercourse with them?

I confess the result seems to me very doubtful, and I am by no means sure that precisely the same kind of loss and deception is not to be feared from this much-desired right of residence in the interior, with access to first markets if it could be obtained, which has followed the opening of new ports. Nor does the unanimity of the merchants, after such experience of the fallacy of their hopes and the miscalcution of their chances as the past affords materially strengthen their case.

If what the Memorialists and merchants engaged in the trade with China really want is to "press certain demands without reference to the situation of China and the power of its Government," and to "ask what the Chinese Government cannot safely promise or be

fairly expected to perform," as bove stated, it is a proof how little they are disposed to profit by the lessons of a past experience. Twice this principle which is now advocated was acted upon when the Treaties of Nanking, in 1842, and of Tien-tsin, in 1858, were signed. On each of these occasions we asked, or rather dictated, what we believed "would suit our interests, not knowing or asking "what the Chinese Government could safely promise or be fairly expected to perform," and we pressed certain demands, as is now suggested, "without much reference to the situation of China and the power of the Government," and the result has been (what I venture to predict it must ever be in like cases) that there has been a total failure in all those Articles which embodied concessions the Chinese could neither safely promise nor be fairly expected to perform. All that was demanded without knowledge of or regard for the situation of China and the power of its Government has been fruitful only in complications and deceptions, and utterly barren of beneficial results. To these conditions, in part, at least, must be attributed the opposition at the Taku forts in 1859, and the third war, which compelled a costly expedition and brought the allies to Peking in 1860. To them and to this immediate consequence may be traced in no uncertain way the total loss of all prestige and power in the Central Government, the contempt into which it has fallen, and the present disorganized and helpless condition of the Imperial Administration. In that which most concerns the development and prosperity of foreign trade, the one Article most insisted upon, and very justly, by the Memorialists as vital,—the exemption from taxation and arbitrary imposts in the interior, the Treaty of Nanking signally failed. The more specific provisions made to the same end, after twenty years' experience of the working of the past, in the Treaty of Tien-tsin, have been nearly equally vain. Neither the negotiators themselves, nor those who succeeded them, have been able to give them effect. And why? The answer is not difficult to find. Not, as the Memorialists would have it believed, from sheer want of ability or energy of purpose in the successive Ministers, but from inherent difficulties in the nature of things, obstacles absolutely insuperable as long as the country remained under the same organic conditions as to laws, customs, government, and fiscal administration. Because, in a word, they ran counter to the whole system of fiscal administration in the provinces through which the goods had to pass in transit, and were irreconcileable with the institutions and customs of the people. And the Central Government on which these provisions had been imposed were too weak, after their overthrow by foreign armies, to make the sweeping changes and reforms required to put the two incompatible systems in harmony, even supposing that they had the will—not a very likely supposition, seeing that such a reform was contrary to the interests and national prejudices of the whole of the ruling and official classes from one end of the Empire to the other.

What, then, have we gained by such diplomacy or policy? Privileges conceded on paper but denied in practice; rights which may bear fruit at some future time, but are altogether incapable of realization in the actual situation of the country, because such realization demands conditions of administration and government that do not exist, though it may be possible to bring them about hereafter. But that is a work of construction and creation, and negotiators must in general deal with facts as they are and the actual conditions of things, and not as they may be at some future period.

The power to enforce a right must necessarily be in abeyance with a Government which has lost the power of enforcing its own laws, or obedience to its orders. Nor is it the first time in the history of international relations among European States that rights have been allowed to lie dormant which it has not been deemed expedient to renounce, or practicable to enforce, in view of the disadvantages and preponderating dangers of such a course of action. The imperfect execution of Treaties may be inconvenient and disadvantageous to those whose interests are concerned, but so, in a much larger degree, may be ill-judged efforts to enforce a more rigid observance of stipulations. Between the formal abandonment of rights and the rigorous exaction of all they confer, there is a wide interval; and many intermediate courses of action suggest themselves in different circumstances and situations as preferable to either, in the interest of both Contracting Parties.

It is impossible to feel surprise, however, that a public writer in England should hold such opinions on Chinese affairs, when even the merchants on the spot, whose interests are most directly involved, and who cannot be supposed to be wholly ignorant of the real state of the country and the conditions under which foreign diplomacy must work, give expression in their memorials to very nearly the same ideas, and demand as a practicable thing "that the rights which the Treaty confers be insisted upon in their integrity," as though it depended upon the mere will of any Government to give effect to conditions which presuppose a revolution in the whole administration, customs, and laws, of a

country before they can become susceptible of realization. Practical men with material interests at stake, before they urged such demands, it might be thought, would naturally have endeavoured to ascertain whether the thing asked was attainable by any efforts of their Government, and whether the attempt to secure the full attainment of their wishes might not prove a sure source of peril and loss instead of gain? What has recently been said of England by the Premier now in office is no less true of China. "It is an ancient and historic country, rich in traditionary influences that are the best security for order and the most valuable element of their national character and national strength." Foreign Powers may, in pursuit of their own aims, or the supposed interests of their trade, bear down by dictation and force of arms all the barriers which such traditions and national influences oppose to sudden and sweeping innovations in the whole system of government and political economy. But they only could do so by destroying all the foundations of the existing fabric, social and political, the abrogation of their laws, and the introduction of a totally new system of government over an empire larger than Europe, and with some 400,000,000 of subjects. All security for order and the best elements of national strength must, in the meantime, disappear. Is there any foreign power bold enough to undertake the responsibility of such an enterprise, assuming that one might be found in a position to attempt it? Or any statesman who would look for such success in one generation as would justify the enormous risk to all existing interests, commercial in hope to political, and benefit trade, which it must begin by rendering impossible?

There is yet one other consideration too important to be altogether omitted. What the more sanguine of the British merchants and political writers who occupy themselves with Chinese affairs appear to want is, the sudden transfusion of European civilization into China with all its material means, of machinery, railroads, and telegraphic lines; with all its habits of action and thought which have been slowly and laboriously acquired step by step during the last three or four centuries in the West. They are not content with anything progressive. Mere grafting will not satisfy them, however vigorously pushed. They want the whole machinery of our civilization transplanted at a single stroke, and set in motion without an attempt to prepare the foundations or educate the minds of the millions over whose destinies it is to work such a revolution as has never been seen since the world began. But is civilization a product that can thus violently and suddenly be transplanted at its full growth from one hemisphere to another? The world's experience since history began has shown, that although colonies may be transplanted from a parent stock, civilization itself cannot be transferred wholesale from one people to another, either by the sword or by Treaties. It is something that must grow in the soil where it is to take root, and from small beginnings. It must adapt itself to the climate and soil and all its surroundings; and in turn, as years give it strength, it modifies them also; and so, by mutual and reciprocal action, they form, sooner or later, one consistent and harmonious whole.

If China were willing to make the hitherto untried experiment of any sudden and total reversal of all these conditions, and at one and the same time lay down railroads and telegraphs; work all her mineral resources by foreign agencies and machinery; adopt free trade in its fullest development; create a public Press; burn all the books of Confucius; adopt new creeds; and embrace the foreigner as a brother; or any other utopian and wild scheme of universal assimilation,—does any one suppose peace and prosperity would be the immediate result, or that by such impatient processes a stable State could be built up on the crumbling ruins of the old—the oldest polity and nation now standing erect in modern times? Can any one believe this who has ever read a page of the history of the race and its civilization? And if not, we shall assuredly be wiser to content ourselves with what is progressive only, instead of ruining all by an unreasoning desire for immediate results and changes which, in the nature of things, cannot be attained save by slow degrees, with time and with effort.

In this belief I have little sympathy with the impatience of those who want everything at once, and China to be a counterpart of Great Britain, or France, or any other of the most advanced countries of Europe.

I hope very shortly to be able to report to your Lordship what progress has been made by the Mixed Commission in the preliminary examination of the various propositions I have laid before it, with a view to the ultimate removal of some, at least, of the chief disadvantages under which foreign trade labours. Despite all the obstacles and difficulties inseparable from a state of civil war and almost total disorganization in the provinces, something material may, I think, be gained in the way of practical results during the present year; but still more in preparing the way for a more complete success under more propitious circumstances and in more peaceful times.

From what has taken place thus far, however, I think I can give some fair idea of the

ground the Chinese Government is likely to take, should negotiations for the revision of the Treaty be formally entered upon.

They will make no difficulty in modifying the Tariff on the few articles indicated by the Memorialists, unless in any case it can be shown that there is some practical difficulty as regards the collection of the revenue. They will not listen to the proposal of the Hong Kong Chamber to reduce the whole to $2\frac{1}{2}$ per cent.; and, on the contrary, they may possibly propose a higher duty on the two main staples of tea and silk. For, as I told the merchants at Kiu-kiang, when they presented their first Memorial, we can hardly expect that the Chinese Government will interpret a revision to mean that it shall be all on one side: in other words, that they are to grant reductions of Tariff and new facilities or privileges, and be entitled on their side, to propose no change in things objectionable or disadvantageous to them. That, however, is the view evidently prevalent with the bulk of the Memorialists.

I think they may not be altogether indisposed to listen to propositions for opening the interior more freely to merchants under certain limitations and conditions, or possibly to the navigation of some trunk lines of communication by foreign-built craft, and to a residence in the interior; but they are likely, in return, to demand some modification of the exterritorial privilege; and they will certainly refuse an unrestricted right of residence and navigation. They may, in connection with this, give a favourable ear to any practical proposal to organize Mixed Courts, with a fixed mode of procedure and a code of laws based upon some European model—say the Code Napoleon, as already adopted for similar objects in Turkey.

They may consent to various landing-places along the course of the Yang-tsze for merchandize; to bonded warehouses, and to the opening of a new port at Wên-chow. Indeed, the difficulty in this last respect is to avoid too large concessions, for there is reason to believe they would not be sorry to open Tai-chow and Chin-chew, two more ports between Foo-chow and Swatow, for the protection of the revenue, so great is the contraband trade to these ports, from Hong Kong and other places, in native vessels.

These appear to be the main points for consideration and discussion; and on all, I think, material concessions may be obtained, to the great advantage of trade.

No. 55.

Sir R. Alcock to Lord Stanley.—(*Received July* 27.)

My Lord, *Peking, May* 25, 1868.

I HAVE directed Mr. Consul Winchester to forward to the Foreign Office, as the inclosures to this despatch, printed copies of a further circular I have found it necessary to address to Her Majesty's Consuls on the subject of a reduced duty on tea-dust. Referring to my previous despatch on this subject, dated the 16th of April, and the first circular, I may state in continuation, that the merchants appear to persist in claiming under this arrangement regarding tea-dust, facilities for passing all kinds of inferior, refuse, or spurious teas. This is not at all what the Chinese Government contemplated; nor is the privilege or concession sought in any way sanctioned by the steps hitherto adopted by the Custom-house authorities and made public.

Any attempt to establish an *ad valorem* duty, with a classification of teas according to quality or value, it is foreseen would create endless embarrassments and disputes, and the Ministers of the Tsung-li Yamên are very determined that no such door for abuses and fraud on the revenue shall be opened. The effort of those most interested in the trade, therefore, under cover of a question of value and loose classification, to pass inferior or spurious tea as tea-dust, a very well-known and easily distinguished article, at the reduced duty, will only tend to the withdrawal of the present advantage, as it previously deterred them, two years ago, from persevering in their intention to grant it.

The inclosed subsequent correspondence with the Prince of Kung plainly shows the misgiving he already feels as to the prudence or policy of the step they have taken, and indicates a desire to narrow the field in which such operations can be entered upon.

Under these circumstances, I have thought it desirable to draw attention very forcibly to the impolicy as well as the unjustifiable nature of any renewed attempts of merchants to pass inferior leaf and stalks for tea-dust. And as Messrs. Dent and Co. considered themselves aggrieved by the observations contained in my former circular referring to the attempt of their agent at Hankow, which was perfectly accurately characterized in the Prince of Kung's note, and had written a letter to the editor of one of the newspapers at Shanghae, complaining loudly of injustice and calumny, I took the opportunity, in my

second circular, of refuting their statements, and demonstrating the fact beyond all doubt, that a chop of some kind of spurious tea-leaf and stalks had, by their agent, been shipped under his written declaration that it was tea-dust, under which demonination it passed at a reduced duty, with the consequences ascribed to the transaction on discovery of the falsification by the examining officers at Tien-tsin.

I would gladly have avoided the necessity of calling in question the character of a transaction in which Messrs Dent and Co.'s name appeared. It is not at a time when the house has fallen under a cloud that I should have chosen, of my own free-will, to bring under public notice any previous shortcomings. But the letter of Prince Kung, in which only their name appears, was published with the circular by inadvertence, contrary to my intention, and when Messrs. Dent and Co. made a public appeal by the newspapers, charging me with giving currency to a false accusation, and basing a public censure upon it, I had no option but to return to the subject, and substantiate the facts by reference to the evidence. In this I feel assured your Lordship will agree with me; and although it has entailed upon me a disagreeable duty, I am certain good effects will follow as the result.

I have, &c.
(Signed) RUTHERFORD ALCOCK.

Inclosure 1 in No. 55.

Circular addressed by Sir R. Alcock to Her Majesty's Consuls.

Sir, *Foreign Office, May* 25, 1868.

REFERRING to my Circular of the 17th February, I now inclose a further correspondence with the Prince of Kung, concerning certain modifications which His Imperial Highness deems it necessary to make, founded upon Mr. Hart's Report that merchants have erroneously concluded the reduction of duty already notified for tea-dust not exceeding 15 taels per picul in value applied equally to tea-leaf of such inferior quality as to be valued below that amount.

I do not myself see the necessity for fixing a maximum value in dealing with an article so well known, and specifically different from every kind of inferior tea-leaf or refuse; and there is abundant evidence that it has introduced confusion in the minds of the merchants, who seem to have "erroneously concluded," as the Prince remarks, "that the arrangement by which a duty of 1 tael 2 mace 5 candarines only was to be levied on tea-dust valued at not more than 15 taels per picul extends to a like quantity of tea-leaf," or any inferior tea mixture of similar value. But as this confusion of ideas must, at all events, be effectually provided against now, I have not thought it necessary to press my objection.

I connection with this question of tea-dust, I have received, under private cover, a printed copy of a letter addressed to the editor of the "North China Daily News," by Messrs. Dent and Co., complaining of the statement contained in the Prince of Kung's official letter, accompanying my Circular of the 17th of February, as also of my reference to it, and the public censure of their house, which it is supposed to convey.

I do not feel called upon to notice what any firm or individual may see fit to address to the papers in regard to my public acts; but in the present instance I am unwilling to wait for direct appeal to me, and will at once answer the complaint. Should any injustice have been done Messrs. Dent and Co., I am quite ready to redress the wrong. If, on the other hand, I have no error to rectify, and have in the discharge of a public duty given expression or circulation to nothing but the truth, it is no less necessary, now that the facts on which the Prince's report and my own comments were founded, are called in question, that these should be substantiated.

The statement of the Prince of Kung is to the effect that, "in July 1866 Messrs. Dent and Co. shipped 591 loads of tea at Hankow, for which they paid only half the proper duty, representing it to be tea-dust, a falsification which was discovered by the Customs officials on examination;" and believing this to be true in all essential particulars, but regarding it as a matter long since terminated, I referred to it merely in general terms as "an attempt at Hankow by one of the large mercantile firms to pass a chop of tea as dust on the payment of the half or reduced duty," by which the high authorities had been deterred for nearly two years from sanctioning a permanent reduction.

Are these facts? and if so, upon what evidence does the plain statement of them, given in the Prince of Kung's communication, rest? All else is beside the question, and more or less irrelevant.

It can be proved by the Custom-house records, if Messrs. Dent and Co. had not themselves in their published letter obviated all necessity for such evidence, that their agent, Mr. Evans, did in July 1866 ship 591 loads of tea—whether their own property or not is quite immaterial—and Messrs. Dent and Co. further admit it was not "dust in the literal sense of the word." In plain English it was not tea-dust in any sense, but something quite different; and whatever might be its proper description or its value, whether it was a mixture of tea-stalks and spurious leaf, or "refuse tea," or any other compound, it was liable to the full duty according to Treaty.

Such being the admitted facts so far, how was this particular article reported to the Custom-house for payment of duty? The whole question narrows itself to this.

Messrs. Dent and Co. affirmed that "it was described to the Custom-house authorities at Hankow by its true denomination in Chinese." The Custom-house records and correspondence show that Mr. Evans made the usual written application signed by him for shipping 591 packages of tea-dust. The Chinese version which accompanied the English bore the characters "pu-jung-cha," that is, "pu-yung" tea, and the character "mo" (dust) had been apparently added as a correction. It was also found in like manner on the half-duty bond subsequently signed by Mr. Evans.

On this description of goods, so vouched for by Mr. Evans' signature to the declaration and the half-duty bond, the packages were passed the Custom-house at Hankow as "tea-dust" on payment of the reduced rate of half-duty. On arrival at Tien-tsin, and examination, the Custom-house officers there discovered it was not tea-dust but tea-leaf, and as such declared it to be liable to the full duty. It is further officially reported that the agents of Messrs. Dent and Co, at Tien-tsin, on the discovery that the article was tea-leaf, agreed to pay the remaining half-duty at the full rate of 1 tael 2 mace 5 candarines, thus admitting, seemingly, that the full duty should have been 2 taels 5 mace. Be this as it may, so far as the inference is concerned, the facts, I apprehend, admit of no dispute.

The defence set up consists of a counter-statement of verbal arrangements or understanding between Mr. Evans and the then Commissioner of Customs, M. Giquel, in connection with the representative of another firm, and mixed up with a question of refuse tea, about which some negotiations or conversation had taken place previously. What does it all amount to? This simply, that although the article was manifestly not tea-dust, it was nevertheless known to the Custom-house Commissioner to be something else, and had been the object of a special negotiation upon a muster shown by a third party, Mr. Ringer, on behalf of another firm, and finally passed by the said Commissioner in full knowledge of the truth. Consequently, if any wrong was done to the revenue, it was the act of the Custom-house officials, not of the merchants, with whom was neither fraudulent intention, concealment, or deception.

Now, whatever may be the margin such a statement allows for possible misconstructions and misapprehension, and it is large—without prejudice to the veracity or integrity of both parties—it is necessary to hear what M. Giquel has to say on the subject, before any safe conclusion can be arrived at; more particularly as regards the so-called special negotiation with the Commissioner and a third party not directly concerned in the shipment.

It appears by the Custom-house records and correspondence on the subject, that in September 1866 M. Giquel wrote to the then Acting Inspector-General, Mr. Fitzroy, to the effect, first, that he had not given authority to ship anything but "tea-dust;" secondly, that he had obtained no sanction at any time from his superiors to levy a reduced duty on anything but tea-dust; thirdly, that Mr. Ringer had in the March previous been to his office complaining of being unable to ship several hundred packages of refuse tea on account of its low value, and the high duty, and he was asked for a muster. Upon this, a package was sent described as "a strange composition of tea-stalks and leaves of anything rather than tea." This muster, M. Giquel states, was ultimately sent back, after a sanction had been obtained for a reduction of duty on tea-dust, with the following note:—"The reduction of duty on tea-dust is at last settled, you can ship such goods by paying only 1 tael 2 mace 5 candarines; I return the muster you sent me." Without pronouncing any opinion upon that particular muster, leaving it apparently to be determined by the proper examining officer on any shipment what was tea-dust and what tea-leaf; a reticence I do not exactly appreciate or altogether approve, as I think it would have been very much better to prevent all possibility of misapprehension by stating distinctly that the article returned was not tea-dust, and could not be passed as such by the Custom-house at the reduced duty. That, however, is a matter of opinion.

The Commissioner goes on to report that while this muster was in the office, Mr. Evans came and asked if shipping such goods he would pay 1 tael 2 mace 5 candarines, and M. Giquel replied: "If it is tea-dust, yes." Upon which the application

already referred to was made for shipping "tea-dust." He further reports that although Mr. Ringer had heard from him that he wanted a muster of tea-dust and in all his conversations with Mr. Ringer he never spoke of anything but tea-dust, yet what the latter sent him was not tea-dust but refuse tea.

I think a very plain inference, and one only can fairly be drawn from these more or less conflicting statements, and it is this: that by confusedly mixing together things not identical, or having any certain or necessary connection with each other, it may have been possible for Mr. Evans to jump at a conclusion and erroneously take it for granted he might class together all kinds of refuse or inferior tea as so much tea-dust, and count either upon such laxity of examination or of interpretation on the part of the Custom-house people as would enable him to pass shipments of this nature on payment of the newly reduced duty, specifically limited to tea dust.

Having allowed this much, on the most liberal interpretation I can give both to the facts and the statements, it now remains to be determined whether Messrs. Dent and Co. have any foundation for their complaint that a false charge has been brought against them, and that they have just cause of remonstrance on account of my reference to the transaction as officially reported by the Prince of Kung?

In that Report it has been stated that Messrs. Dent and Co. "shipped 591 loads of tea at Hankow, for which they paid only half the proper duty, representing it to be tea-dust, a falsification which was discovered by the Customs officials on examination."

Can there be any doubt that they did so, by their agent Mr. Evans? I am sorry to have to return to the subject, but being constrained to do so, I must express my conviction that the Prince of Kung's statement of the transaction is literally and strictly true in every particular, and this conviction is based upon written evidence and proof which, apart from Messrs. Dent and Co.'s admissions, admit of no question. Mr. Evans' signature is there to avouch the main fact, and in the letter of Messrs. Dent and Co. given to the press, they admit that to this day the amount of duty short paid under a false declaration of the description of article taxed—has never been refunded. Whether it went to their own credit or that of a constituent is quite immaterial to the issue. The revenue was defrauded to that amount.

As to my comments in the circular to which exception is taken, they are prefaced by a reservation, in so far as the firm was concerned, that the whole transaction "may possibly have been the unauthorized act of some Agent or subordinate." It is for Messrs. Dent and Co. to elect whether they will accept this construction, which leaves the character of the firm unassailed, and throws the responsibility upon the Agent of having made an unauthorized use of their name, or endorse his acts as having their sanction.

I have already, in reply to the Prince of Kung, sent herewith, remarked to His Highness that there may have been both misapprehension and misconstruction rather than any design on the part of the Agent to defraud the revenue. I am very glad to think and to say so in the most public way, after a careful scrutiny of all the evidence in the case. But that does not alter my opinion that a fraud was committed on the revenue—that the Prince was perfectly entitled so to characterize the loss suffered, and state that it had been effected by a falsification of the article shipped. Neither does it in any way affect the conclusion I came to at the time, that to describe as tea-dust what is tea-leaf or anything else, and sign a declaration to that effect, is a mode of transacting business utterly indefensible, and that it did in this particular instance inflict the injury attributed to it of having deferred the reduction on tea-dust only now effected; and is at all times calculated to do injury to the general interests of the trading community.

To say that it was justifiable or excusable because it was done with some kind of understanding or collusion with the Custom-house officers, who have no authority to levy any but the legal duties, does not in my opinion tend to make the matter better. It is in that case none the less a fraud on the Chinese revenue, and the high authorities are justified in so considering it. The intention may or may not have been that, but Custom-house officials have to deal with overt acts and with facts, and are not allowed to shape their performance of duty by the very doubtful standard of intentions or motives, which would put them on very dangerous ground and might not always be to the advantage of others.

Therefore I have not entered into the wholly secondary question, as to whether the proper Custom-house official did actually examine the packages, or take or receive a sample from one of them, and upon such examination declare the article to be tea-dust:—1st, Because it clearly was not tea-dust but something else; 2nd, Because on this point there is very contradictory evidence, and on neither side is it conclusive; and lastly, Because if he did so examine and pronounce it to be tea-dust, he was either incompetent or betrayed his trust, and in either supposition the shipper does not stand acquitted to

the Chinese Government of having signed a false declaration and effected a fraud on the revenue.

Neither do I think it material to the issue that Mr. Evans is reported to dispute the evidence of the Chinese character "mo" (dust) inserted in the Chinese version of the application. Because, assuming it to have been added without his authority or knowledge, and the addition to have been made by some one in the Custom-house, an assumption distinctly negatived by the Commissioner, there is no question about the English version containing the words "tea-dust."

But it is unnecessary to go further into the minute details of this transaction, and if anything were wanting to show that I did not act without good and sufficient reason in the general interest, it is now furnished by a renewal of the same mistake, and attempts to pass inferior teas of low value as sea-dust under the reduced duty. This is once more leading the high authorities to doubt the wisdom of the step taken in reducing the duty on the latter article. I do not question that some distinction or classification might be made with advantage, allowing the spurious or refuse article of low value, for which it seems there is some demand among the Chinese, to be exported at a reduced duty. But I wish the merchants in their own interest could be persuaded in this and all similar cases to take what is offered them in the plain and obvious sense of the regulation, and not try to pass under a rule clearly limited to one specific article, a different kind of merchandize, certainly not intended to be included, and so jeopardize the advantage already gained, besides raising new difficulties in the way of any further relaxation of existing Tariff rates.

You will give publicity to the inclosed correspondence, as also to this despatch, for general information.

Your, &c.
(Signed) RUTHERFORD ALCOCK.

Inclosure 2 in No. 55.

The Prince of Kung to Sir R. Alcock.

(Translation.)

THE Prince of Kung makes a communication.

On the 3rd of the 4th moon (25th April), the Yamên received a statement from Mr. Hart to the effect that merchants have erroneously concluded that the arrangement by which a duty of 1 tael 2 mace 5 candarines only was to be levied on tea-dust valued at not more than 15 taels per picul, extends to a like quantity of tea-leaf. Fearing a loss of Customs revenue, Mr. Hart suggests as a modification that tea-dust of the value of not more than 10 taels a picul carried coastwise, shall pay a duty of 1 tael 2 mace 5 candarines, but that if exported or of higher value than 10 taels a picul it shall pay a duty of 2 taels 5 mace.

At the close of last year the Yamên, in consideration of the great difference of the commercial values of tea-leaf and tea-dust, notified to your Excellency a reduction of duty on the latter article.

To prevent the complication consequent upon this desire of the merchants to pass tea-leaf of a value not exceeding 15 taels per picul at the duty of 1 tael 2 mace 5 candarines per picul the regulations must be made more specific, and in the interests of the revenue a distinction must be made in the case of exported tea-dust.

Mr. Hart has been instructed, therefore, that in future, as he suggests, the duty on tea-dust worth not more than 10 taels a picul and carried coastwise will be 1 tael 2 mace 5 candarines a picul: when, though not worth more than 10 taels a picul, it is exported, and when being worth more than 10 taels a picul it is carried coastwise, a duty of 2 taels 5 mace per picul will be levied. This arrangement will alike benefit the revenue and the merchant.

I beg that your Excellency will direct the merchants to comply therewith.

A necessary communication addressed to Sir R. Alcock.

4th (intercalary) moon, 1st day (May 22, 1868).

Inclosure 3 in No. 55.

Sir R. Alcock to the Prince of Kung.

Sir, *Peking, May* 23, 1868.

ON the subject of tea-dust and the modifications which, on Mr. Hart's representation of the danger of misapprehension, your Imperial Highness deems it necessary to adopt in

giving effect to the reduction of duty already announced, I have the honour to acknowledge the receipt of your official communication, dated the 22nd instant, and to submit the following observations in reply.

It is proposed, I perceive, to fix the maximum of value of 10 taels per picul instead of 15 taels, and to limit the reduction of duty to such tea-dust only as shall be carried coastwise, to the exclusion, therefore, of any that may be shipped to a foreign port.

As shipments of tea-dust for foreign ports are not usual, the changes in the rule will not curtail any of the real privileges which in the first instance it was intended to secure to merchants, I have no objection to offer. And in reference to the altered rate of valuation to 10 taels, tea-dust being an article never averaging so high, it seems indifferent, whether 10 taels or 15 taels be the figure adopted. But seeing that tea-dust, and even the most inferior kinds of tea-leaf, or leaf and stalks mixed, are essentially different articles, and those engaged in the tea trade can never mistake the one for the other, though they may be equally low in price, there would seem to be no necessity for fixing a limit for the valuation of the former. As this, no doubt, has tended hitherto to lead to the misapprehension to which your Imperial Highness refers on the part of the merchants, that very inferior or refuse teas within the value fixed might indifferently be shipped on the same terms as tea-dust, I cannot help thinking it would have been better to announce simply a reduction of duty on the specific article "tea-dust, irrespective of any valuation, as less liable to misconstruction. If any merchant should present bales of, or any combination of, leaf and stalk which was not tea-dust, and make a false declaration to that effect, it would be in the power of the Custom-house officers on examination and discovery of the fraud to stop the shipment, and proceed against the shipper according to Treaty, such goods being liable to confiscation.

I make this observation on the valuation clause, simply because the less room there is for any possible misconstruction or misapprehension on the part of the merchant as to the meaning of a rule, the better it is for him and for the revenue likewise. There seems to have been both misconstruction and misunderstanding in the case of Messrs. Dent and Co., to which your Imperial Highness referred in your communication of the 28th December, 1867, rather than any design on the part of their agent to defraud the revenue, though the result was practically the same, and entailed the loss upon the revenue.

I have, &c.

(Signed) RUTHERFORD ALCOCK.

No. 56.

Sir R. Alcock to Lord Stanley.—(Received August 9.)

(Extract.) *Peking May 29, 1868.*

IN Mr. Consul Robertson's Report of trade at the port of Canton during the year 1867, a duplicate of which was forwarded direct to the Foreign Office, two or three leading facts are brought out which seem worthy of serious consideration as regards their influence, present and prospective, on trade in general as it is conducted in China, and at that port in particular.

The Returns show clearly that in the import trade, consisting chiefly of English textile fabrics, there is a steady advance if we take quantity as the standard, though a decrease if value be the ground of comparison: that is, the Chinese have taken more of our goods, but less has been received for them; and these two facts no doubt stand to each other in the relation of cause and effect. The same goods costing them less than in the preceding year they took more, but still within the same or narrower limits of outlay on such articles.

Mr. Robertson's observations on the economical habits of the people are perfectly just, and afford the explanation. They are little disposed to spend in ostentation or luxury, whether in dress or in any other way, what means they possess. When even a "necessary of life becomes from circumstances unusually dear, they simply do without it." Hence it follows that a slight increase of cost promptly checks consumption. Of course this is an economic law of universal application, and it is a question of degree only. But it is precisely from that point of view that the distinctive feature of the national character and the habits of the people gives to the result a special importance. In other countries, where there is less thrift and habitual moderation in gratifying wants or desires, with greater love of luxury or ostentation, increase of cost only diminishes consumption on all articles ministering to these when the increase is something considerable, and as regards he necessaries of life the dimunition will be still less; but here in China a very slight

difference in price stops demand altogether in the first, and even tells very strikingly on the last.

It behoves the foreign merchant to keep this well in view. As regards our cotton goods, for instance, which may be considered the great staple of our import trade into China, whatever deteriorates the quality, renders it less durable or fitted to meet the requirements of the Chinese wearer, or adds to its price, tested by competition with the price, quality, and durability of the produce of the native looms, even though it be very slight, is sufficient to turn the scale in favour of the latter to the exclusion of the former, and for the reason alleged by Mr. Robertson that "no nation is more economical in its habits, and less influenced by outward appearances than the Chinese, from the highest to the lowest:" whether a long cloth is of finer texture or has a better glaze is a matter of infinitesimal importance to them compared with the soundness of its quality and its durability.

The foreign merchants in China must know this, but how far they and the manufacturers in England act upon the knowledge wisely for their own and the national interests, which are really one, is fairly open to question. If they sacrifice to appearance and cheapness quality tested by durability in wear they destroy the market. Some proceedings before the Courts of Bombay recently exposed a practice of falsification and dishonesty in the making up and dressing of goods for the Indian market, on the part of some of the home manufaciurers, which had previously this effect, and was sufficiently alarming to engage the attention of some of the Chambers of Commerce in England. I cannot at the moment turn to the report which appeared in the papers, but the case and all its leading circumstances must be very well known at home. I am not prepared to say how far similar practices may have damaged the credit of foreign merchants and their goods in China, although something of the kind is not wanting, I fear, to arrest the progress. But one thing is quite certain, that whatever impairs the confidence of Chinese purchasers as to the real quality of the goods sold them under particular marks or brands inflicts a fatal injury on the prospects of trade in the interior. Mr. Robertson alludes to an export trade in a class of "Lie Teas," well known at Canton. It is to be feared that those who help to poison people at home with a spurious article in teas will not be over scrupulous in dealing with foreign goods for the Chinese market,

It is not only necessary, however, that the goods should be honest in being what they profess to be, according to mark or description, but that the quality, as to the texture and durability, should suit the wants and habits of the people; and, lastly, that these should suit their pockets, and be able to compete in price with similar goods of native manufacture.

Unless they have these three qualifications they cannot compete in the Chinese markets, and, instead of the demand increasing, they will be shut out, though all China were opened, as fully as France or Belgium, to both merchants and goods.

There is another element in the price besides that of first cost which has hitherto been too commonly overlooked. When goods are brought into the Chinese market, the foreign merchant calculates by the value of the dollar or sycee silver, and rates of exchange on England, what he can afford to sell at. The Chinese takes a totally different basis of value, and calculates, as he must pay in dollars, how many cash these are worth in China, or in his own district where the goods will be sold. Now the rate of exchange of the dollars or silver in reference to Europe may be very low, and has been for the last two or three years, while its value in cash in the interior and at the ports may be very high, owing to various causes wholly independent of foreign trade; and this will determine the cost of the goods to the Chinese buyer, and consequently the price he can afford or will be disposed to give.

This is not the place for an essay on the economic principles which should regulate the action of Governments in the issue of a currency, and the futility of all efforts hitherto made to induce the Chinese Government to establish a mint and issue a currency, that could be guaranteed to the people is well known to your Lordship. My present object is only to draw attention to facts of great significance influencing the development of trade in China in a far larger degree than many of the facilities or obstacles almost exclusively insisted on in all the Memorials about the revision of the Treaty as sole objects of interest or solicitude.

Whether transit dues can be honestly collected according to Treaty, and merchants transport freely their goods to central markets, or Chinese produce tea and silk without exactions to the ports from the places of growth,—whether they can reside in the interior and purchase or sell there, dealing only with first hands,—may be questions of deep interest; but it is surely a mistake to hold up such privileges or facilities as the sole conditions necessary to insure a profitable and large development of trade. There are underlying all

these more superficial and specious advantages far deeper and more influential causes of success or failure which it behoves merchants and Governments alike to keep steadily in view in any efforts to improve the conditions under which trade has to be maintained and developed. I think nothing can more clearly demonstrate this than an article in the "Supreme Court Gazette;" written with the object of holding up to censure the policy of the British Government. The writer institutes a comparison between the position occupied by British merchants and their trade in China, and the Russian, to the disadvantage of the former; insisting much upon the identity of character in the British and Russian Treaties, and laying the whole blame on the narrow or false interpretation given by the British authorities to the several Articles containing stipulations for privileges in the interior, right of residence, &c.; and yet, by his own showing, the essential difference lies not in the Treaties but in the merchants. The Russians, in many places conduct their business in the interior by Russianized Chinese, and evidence is cited of the numbers of Russian-speaking Chinese, while the merchants themselves have the "ability of working more directly with the Chinese (tea) growers," having made themselves acquainted with the language and customs of the people amongst whom they reside and in some instances have taken to their style of dress and living. When British merchants, have so fitted themselves for residence in the interior, they may, doubtless, reap equal advantages; but until then no Treaty privileges will place them on the same footing as those who have.

In this connection, Mr. Robertson's observations as to the practical bearing of any right of residence in the silk-producing districts, and the probably disadvantageous results attending it, are well worthy of attention. In a similar sense are the observations communicated by merchants at Foo-chow to the Consul of that port, where all right of residence and access to the interior for purposes of trade is depreciated as sure to entail difficulties and loss on the merchants.

Of the intimate connection of the Colonies of Hong Kong and of Macao, but of the former more especially, with the trade of Canton, and the many conflicting interests involved in such interdependence, there is much to be said. Mr. Robertson touches upon a few of these points only in this Report, while in a subsequent despatch herewith inclosed, he draws my attention to a proposal to make the British Colony for all practical purposes a Treaty port, by permitting duty-paid goods to be transhipped there under the same regulation as in any of the Chinese ports. The Memorialists at Hong Kong brought forward a similar proposal.

It would be premature to pronounce any definite opinion on so large a question, which necessarily demands very careful investigation both as to the practicability and the expediency of the measure proposed. In the meantime I may observe, that a more liberal policy as regards Hong Kong would, on the whole, increase trade at Canton. But to concede the certificate point, and recognize an in-transit-for-Canton clearance to Hong Kong, would have the effect of killing all but river-steamer trade to Canton. There is little reason, however, to think the Chinese will grant the privileges asked.

Inclosure in No. 56.

Consul Robertson to Sir R. Alcock.

Sir, *Canton, May* 1, 1868.

FOREIGN trade at this port is in so depressed a state, if not passing entirely into Chinese hands, that I am tempted to submit, for your Excellency's consideration, a plan which I conceive will effect some good results, or, at all events, open a door for development in some shape, and generally be beneficial to foreign interests.

I may begin by stating that, although restrictive in some respects, the foreign Customs Establishment has equalized the trade, and placed the collection of the revenue on a basis of fairness which did not exist before its establishment, and, therefore, deserves well of the foreign mercantile body; and if to its other benefits it would add encouragement to trade, it would deserve still more. For instance, there would have been no difficulty in establishing a system of bonded warehouse at Canton. Two years ago I prepared a scheme, and submitted it to the high authorities, and spoke to the Commissioner of Customs on the subject, but nothing came of it. Had my advice, however, been followed,—and it was not given without having first taken opinions from the leading foreign merchants,—I have no doubt the trade and revenue of the port would have been doubled. Whether or not it is now too late is another question.

Again,—and it is to this subject I beg to draw your attention,—Hong Kong being British territory is a foreign port, and goods and merchandize imported therefrom into

China pay Tariff import duties; for instance, if cargo is sent from Shanghae to Hong Kong, it pays the full export duty, and, if forwarded on to Canton, it pays the full import duty: but if sent from Shanghae to Canton direct, it pays at the former export, and at the latter port coast-trade, which is half the import, duty. Steamers or vessels can call at Hong Kong *en route* without invalidating this, but the cargo cannot be transhipped, or landed, or touched.

Now there is a large and valuable carrying trade, chiefly Chinese produce, between Canton, Shanghae, and Tien-tsin, and steamers come up to load and clear for the latter ports, thereby taking the benefit of the coast-trade duty; but the regulation of not permitting the cargo to be moved somewhat cripples the trade. Frequently, vessels can get only half a lading, or even less; and the result is, few come "seeking," as it is called, and the rule is for a Chinese firm to charter and take the risk; and this is a speculation they are unwilling to enter upon until they have secured a cargo.

It appears to me this rule might be with great benefit, both to foreign and Chinese merchants, and the revenue, relaxed, and cargo allowed to be transhipped or landed at Hong Kong. It would then be sent down by the river-steamers, and forwarded on by the coast ones; and owing to this facility, more would be sent than at present, when sometimes two and three months elapse without a steamer coming into port; for in all matters of trade celerity is the life and soul of it.

I have mooted this subject to the Customs authorities, but of course nothing could be done in it here. The objections urged are: the packages, if allowed to be landed or transhipped, might be tampered with or others substituted. To this I answer, let each package bear the Customs seal, and let the bills of lading be stamped at the Custom-house; and if the packages at the port of entry appear to have been opened, or do not agree with the documents, then of course they are liable to seizure and confiscation.

Moreover, the time has now passed since people thought it the right thing and clever to do the Customs. That was the result of the loose system which prevailed previous to the establishment of the foreign Customs, and arose as much from a spirit of opposition as anything else; but all this is changed, and merchants find that it saves trouble and expense to follow regulations.

I do not mean to say that there are no difficulties in the way of this arrangement, but if there are I do not at present see them; and I am convinced of the benefits that would result from so important a concession in increasing the trade of the port, and giving a large amount of freight to the river and coast steamers.

I submit these observations with great deference to your Excellency's better judgment.

Your, &c.
(Signed) D. B. ROBERTSON.

No. 57.

Consul Mongan to Mr. Hammond.—(*Received August* 10.)

Sir, *Tien-tsin, June* 11, 1868.

IN accordance with the instructions of Her Britannic Majesty's Minister at Peking, I have the honour to forward to you, direct, a copy of a despatch to his address upon the subject of inland markets as connected with this Treaty port, together with a sketch map drawn up to illustrate the same.

I have, &c.
(Signed) J. MONGAN.

Inclosure 1 in No. 57.

Consul Mongan to Sir R. Alcock.

Sir, *Tien-tsin, June* 11, 1868.

REFERRING to the Circular of the 21st March last, I have the honour to state that, on receipt of it I have notified its contents to the British residents at this port, with the view of getting from those who were personally most interested in obtaining access to inland markets, and therefore, it might fairly be presumed practically best acquainted with the subject, that specific information which your Excellency required.

In my notification I limited the time for the receipt of communications from the

merchants to the 30th April last, but, not a single response having been made to this call, I had to seek for the information in other quarters, and, after some trouble, succeeded in finding two Chinese merchants engaged in the Shansi and Russian trade, from whom, after much questioning, and partly also from official sources, I obtained the following details regarding the position of the great inland markets connected with the Tien-tsin trade, and the means of access to these emporia.

The most important appears to be the district city of Tai-ku, in Shansi, situated in the prefecture and about 40 miles to the south-west of Tai-yuen-fu, the provincial capital. The transport of goods from Tien-tsin to Tai-ku, owing to the different means of conveyance which are adopted, is affected at a considerable cost and with no small trouble. Take, for instance, grey shirtings, which are imported here from England in bales of 50 pieces. The Shansi buyer must, in the first place, for convenience' sake, reduce the size of these bales, and, accordingly, he distributes every two of them into five smaller bales of 20 pieces each. The shirtings thus repacked are then conveyed by boat up the Tsu-ya River (called in the upper part of its course, the Hu-tu) to the small town of Hsiao-fan, which is two days' journey from Tien-tsin. At Hsiao-fan they are loaded in large carts, which carry 20 bales each, and are taken from thence westward by land carriage to the district city of Huai-lu, the position of which is marked upon the inclosed sketch map. This city is situated at the foot of the mountains that intervene between Chi-li and Shan-si, and here another change is requisite, as the road from Huai-lu into the latter province is impassable for carts. Either mules, or camels, therefore, must now be used for the rest of the journey to Tai-ku, with the exception of the last forty or fifty miles of road, over which the goods are conveyed in small mule-carts, each carrying only five bales. The distance of Tai-ku from Tien-tsin by this route is about 450 miles, and the transit of goods takes thirteen days, viz., two by boats to Hsiao-fan, thence four by large carts to Huai-lu, and seven more, by mules and camels and small mule-carts, from Huai-lu to Taiku. The whole cost of conveyance is 8 taels per small bale, which is equal to 20 taels per bale as bought at this port; and as the average price of a bale of 50 pieces here is 115 taels, it will be seen that more than 17 per cent. of the price of shirtings in Tai-ku is represented by the cost of their conveyance from Tien-tsin.

As far as I can ascertain, there is only one inland Custom-house on this route, and that is at Ping-ting, in Shansi, where a transit duty of 5 cash per picul, equal to 250 cash, or not quite one-fifth of a tael per large bale, is levied upon shirtings.

My Shansi informant, who is himself a Tai-ku merchant, assured me that out of every 100 bales of shirtings landing here, about 60 go to Shansi, the remaining 40 being divided in pretty equal proportions between Chili and Honan. If this be so, Tai-ku must be the chief inland centre of distribution for the cotton piece-goods that Tien-tsin imports.

Taking, on the other hand, each 100 chests of Indian opium that are imported into Tien-tsin, only 20 find their way to Shansi, where the foreigner has to compete with the native drug, now grown extensively in Shênsi and Kan-suh. The native opium, called vulgarly "hsi-tu" or "western dirt," is used also at this port; and whenever the price of Malwa rises here above 600 taels per chest, the "hsi-tu" is brought largely into the Tien-tsin market.

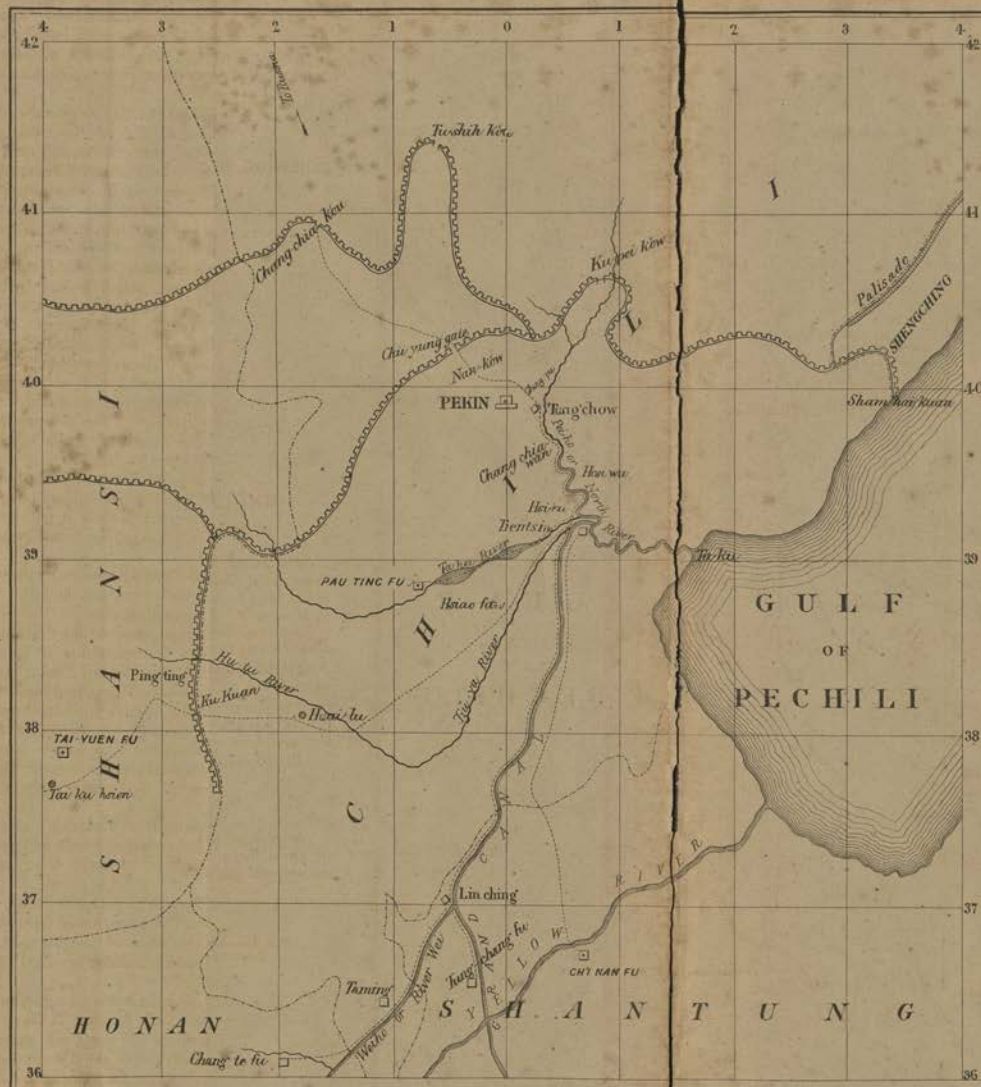
Chang-tê-fu, in Honan, takes a great quantity of opium from Tien-tsin; and it will be seen from the map that there is water communication nearly the whole way to that city viâ the Grand Canal to Sin-ching, and then viâ the River Wei, to about thirty miles from Chang-tê itself.

Lin-ching, in Shan-tung, at the junction of the River Wei with the canal, is also an important inland market. The canal proper begins here, the water route from this city to Tien-tsin being in reality a natural river, called by the Chinese the Yüng-liang-ho, or "grain-conveying river," whilst the artificial portion beyond Lin-ching is called the Cha-ho, or "river of flood-gates."

It is about 330 miles by water from Tien-tsin to Lin-ching, owing to the meandering nature of the stream, and is a twelve days' journey for laden junks. It takes four days more to reach that point within the confines of Honan, where the boats are unloaded, and whence the goods are taken overland to Chang-tê-fu, which is 480 miles from Tien-tsin.

The large and populous city of Tung-chang, situated about 40 miles above Lin-ching, on the canal, is another inland market, to which there is direct access by water from Tien-tsin, and some thirty miles beyond this the canal is intersected by the Yellow River, which unites near the same spot with the Ta-tsing, and flowing in a north-east direction, past Chi-nan-fu, the capital of Shan-tung, empties itself into the Gulf of Pechili.

That Chi-nan-fu receives a considerable quantity of imports from Tien-tsin is certain; some of her merchants are here now making purchases; but, beyond ascertaining this fact, I have been unable to procure any reliable information as to the character and extent of



MAP

SHEWING ROUTE TO & POSITION OF CERTAIN

INLAND MARKETS

EXPLANATORY REMARKS.

The Sketch Map shows the intramural portion of the Province of Chili, with parts of the Provinces of Shansi, Honan, and Shantung, also a small portion of Shêng-Ching in Manchuria. The unbroken red lines mark the boundaries of provinces, and the dotted red lines indicate the routes from Tientsin to the chief inland markets.

The Longitude is marked from the meridian of Peking, which is 116° 25′ E. of Greenwich.

The passes in the Great Wall are called either k'ou "*gates,*" *or* kuan, "*barriers.*" *The three most celebrated* k'ou *are shown on the Map.*

The Capitals of Provinces, or shêng, *are marked* □

" " *Prefectures, or* fu " □

" " *Departments, or* chow " ◇

and " " *Districts, or* hsien " ○

In popular usage, when speaking of cities, the terms fu, chow, hsien *are sometimes employed and sometimes omitted, and this usage is followed in the Map.*

J. MONGAN,
Consul.

H.B.M. Consulate,
Tientsin, June 11th 1868.

Scale of English Miles

the trade. The goods sent to Chi-nan-fu, however, are sent by land, not water carriage, the distance by road being only about 240 miles, and the country throughout being an uninterrupted plain.

I have been unable to ascertain the position of the local Custom-houses, which no doubt exist at certain points along the way to these southern markets; but, turning northwards, I am informed by a native merchant engaged in the Russian trade, that there are at least seven places between Tien-tsin and Chang-chia-kou where charges are levied at local Custom-houses or barriers, upon goods passing to and fro between the last-named inland market and this port.

These seven places are Hsi-ku, Hosi-wu, and Chang-chia-wan, all towns upon the Peiho between Tien-tsin and Tung-chow; then Tung-chow itself; then Tung-pa, about seven miles from Peking; then the Nan-kou Pass; and, lastly, the Chü-yung Gate in the inner branch of the Great Wall.

Goods passing from Tien-tsin to Chang-chia-kou are conveyed by water to Tung-chow, a distance of 120 miles, and thence by land on mules or camels to their destination, as shown on the sketch map, the distance from Tung-chow to Chang-chia-kou being 150 miles.

The only other inland market of importance connected with Tien-tsin that it seems necessary to mention, is Pau-ting-fu, the capital of Chi-li, which is 120 miles from this port, and is directly accessible by water.

The districts, then, within which the right of residence of a conditional kind might be conceded with advantage to the trade of this port are, in my opinion, Tai-ku-hsien, in Shansi, Chang-tê-fu, in Honan, Lin-ching, Tung-chang-fu, and Chi-nang-fu, in Shan-tung, and Pau-ting-fu, Tung-chow, and Chang-chia-kou, in Chi-li.

More than a year ago, in my Report on the trade of Tien-tsin for 1866, I made the following remarks, which it is not out of place, I think, to repeat here, with reference to the permanent residence of British subjects at Chang-chia-kou :—

"Were British subjects allowed to reside at Chang-chia-kou, the pass by which the trade of Tien-tsin flows into Western Mongolia, and finds its way to the great marts of Llama-miao and Kuei-hua-chêng, they might teach the Mongolians how to improve their breed of sheep and prepare the wool for exportation, with a result that would benefit both teachers and pupils, and tend to increase in no small degree the value of the export trade from Tien-tsin. Chang-chia-kou is about 200 miles (*i.e.*, by the pure land route) to the north-west of Tien-tsin, in the direct line of the transit trade between this port and Kiachta, and several Russians are already established there as forwarding agents. It is not unlikely, therefore, that under the most-favoured-nation clause British subjects may at no distant day obtain a like privilege of permanent residence at the same place."

I have, &c.
(Signed) J. MONGAN.

Inclosure 2 in No. 57.

Map showing Route to and Position of certain Inland Markets connected with Tien-tsin.

No. 58.

Acting Consul Cooper to Mr. Hammond.—(*Received August* 10.)

Sir, *Kew-kiang, June* 13, 1868.

IN obedience to instructions received yesterday from Peking, I have the honour to forward the reply sent from this Consulate to a despatch from Sir Rutherford Alcock, calling on Her Majesty's Consuls in China for information as to the navigation of the inland streams for the transport of imports to the places of consumption and Chinese produce from the places of origin. A sketch map of the principal markets in this vicinity, and their water communication with Kew-kiang, accompanies Mr. Hughes' despatch.

I have, &c.
(Signed) WM. M. COOPER.

Inclosure 2 in No. 58.

Consul Hughes to Sir R. Alcock.

Sir, *Kew-kiang, May* 6, 1868.

IN reply to your Circular of the 9th of April, calling for specific information relative to places inland where marts may be established and a right of residence of a conditional kind might be granted, and the means of communication with them by water, I have the honour to report that the most important places in this neighbourhood are Woo-ching, Jao-chow, and Jui-hung on the Poyang Lake, and Nan-chang about thirty-five miles from the Lake. King-teh-chen, Wu-yuen (Mo-yune), Ho-kou, Ning-chou, and Chang-shu-chen, though less easily accessible, are places where foreign trade might be considerably extended.

These towns and their distances from this port are shown on the sketch map sent herewith, for which I am indebted to Mr. Interpreter Cooper, who has carefully compiled it from the best materials available.

Woo-ching is the principal mart of trade in the Lake. It is situated at the confluence of two streams, one of which communicates with Ning-chow, the principle black tea district in this part of China, and the other with the provincial capital, Nan-chang.

Jao-chow has water communication with the green tea districts of Ke-mun, Fou-leang, Moyune, and Tek-hing; and with the celebrated potteries at King-teh-chen.

Jui-hung is on the route to the Ho-kow black tea district, where are grown the Kai-sow teas.

Nan-chang, as the capital of the province, is important both politically and commercially.

To these four places access could be had by means of small steamers of light draft for at least the greater part of the year. In summer the depth of water in the Lake and in the Nan-chang River is considerable; but in winter it sometimes falls so low, as was the case during the season just past, that even junk navigation is impeded.

I have, &c.
(Signed) P. J. HUGHES.

Inclosure 2 in No. 58.

Map showing Places in the Vicinity of Kew-kiang with which Communication is desired, and their Distance by Water.

No. 59.

Consul Robertson to Mr. Hammond.—(Received August 10.)

Sir, *Canton, June* 20, 1868.

UNDER instructions from Sir Rutherford Alcock I have the honour to forward a copy of my reply to his Circular despatch of the 21st of March, 1868, relative to the extension to British subjects of the privilege of residence and trade in the interior of China.

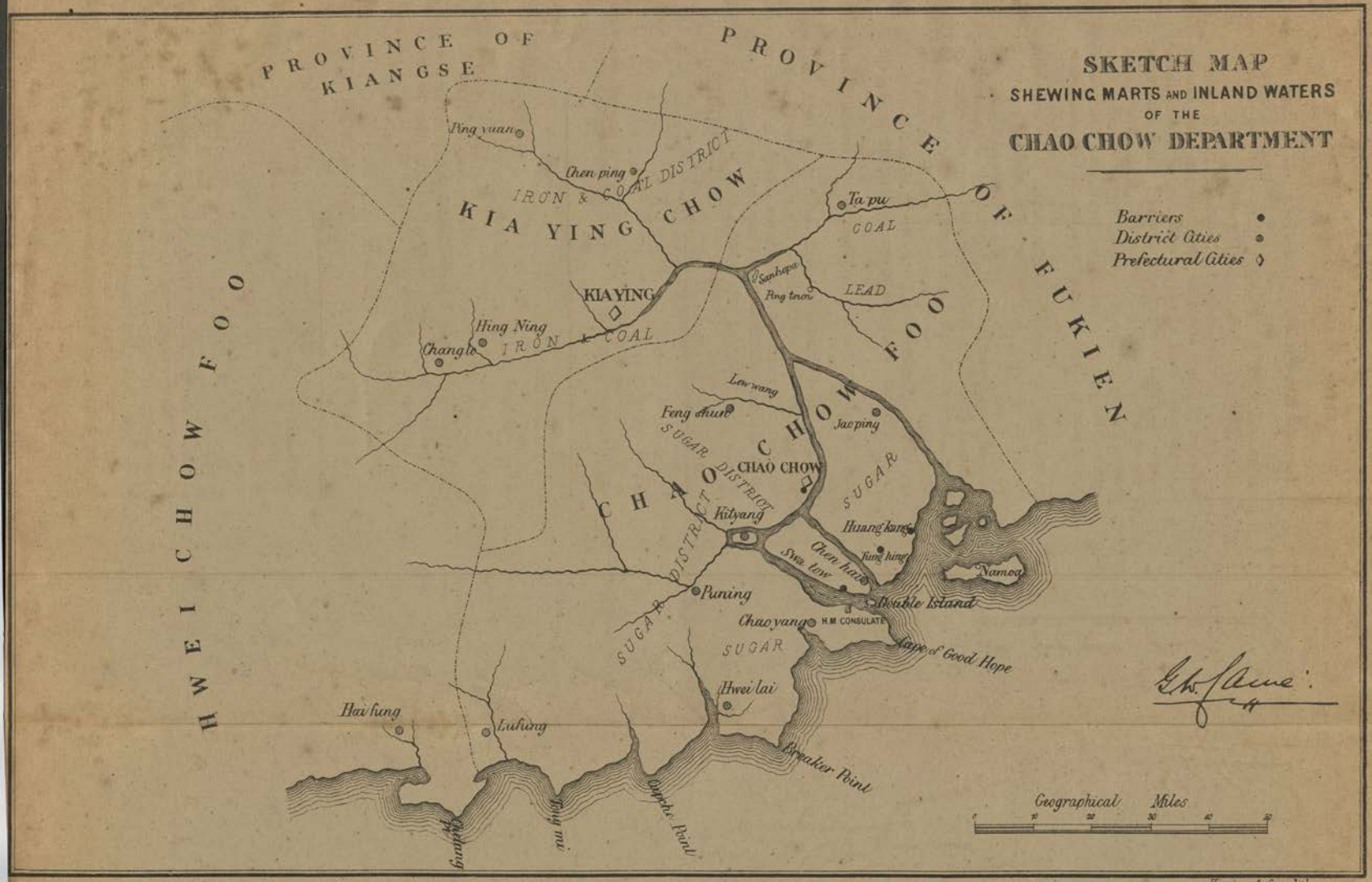
I have, &c.
(Signed) D. B. ROBERTSON.

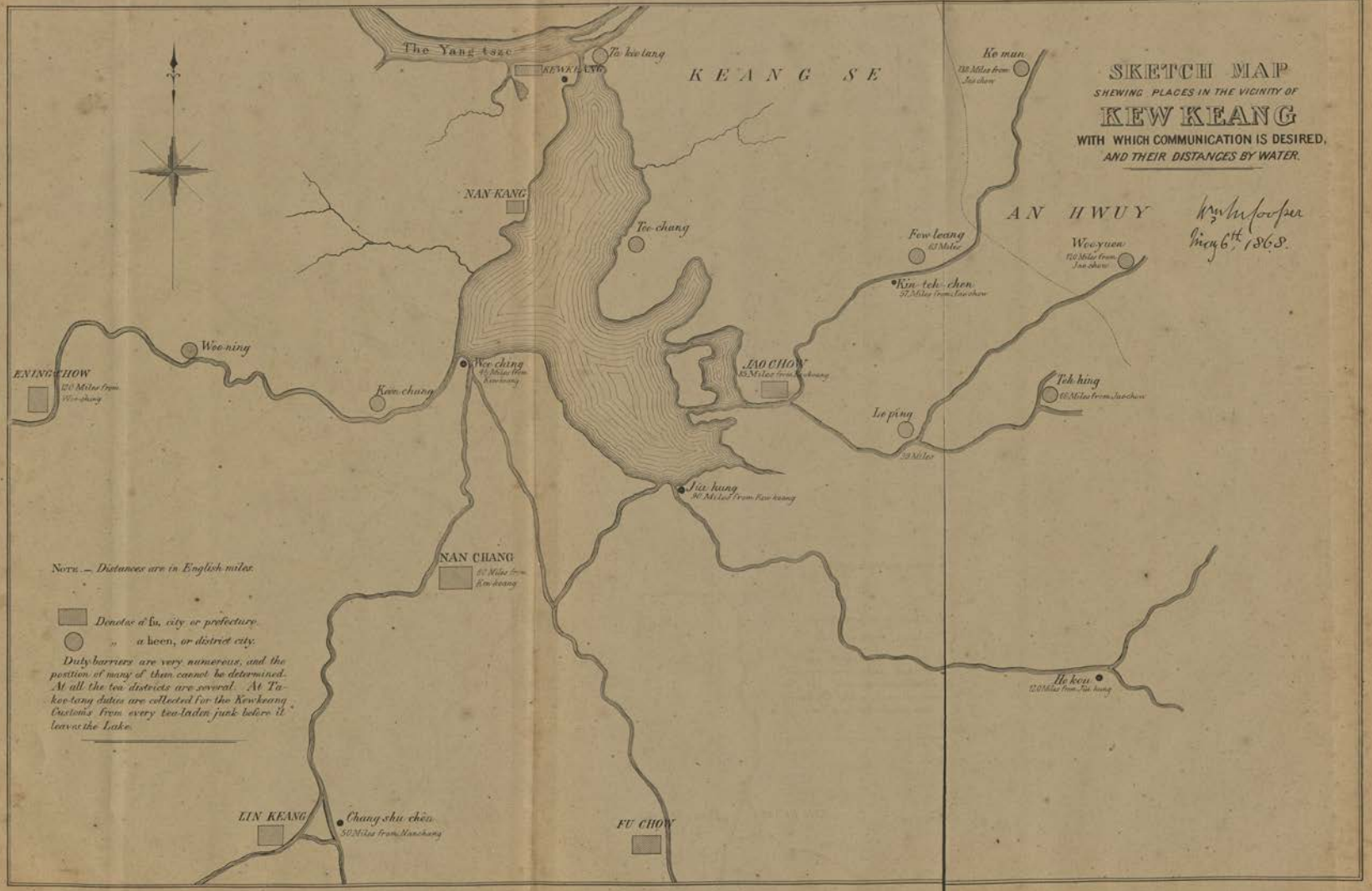
Inclosure 1 in No. 59.

Consul Robertson to Sir R. Alcock.

Sir, *Canton, May* 13, 1868.

I HAVE not replied to the Circular despatch of the 21st of March from your Excellency so speedily as I could wish, owing to the difficulty of obtaining reliable information regarding the inland towns of this province, from the fact of little being known of the interior. Travelling in Kwang-tung, although easy enough from the network of waterways which traverse it, is difficult from the independent, insubordinate, and frequently dishonest character of the people. Hence there are few inducements to penetrate the inner portions of it, and hence, too, the ignorance of its topography. I


SKETCH MAP
SHEWING MARTS AND INLAND WATERS
OF THE
CHAO CHOW DEPARTMENT
Barriers
District Cities
Prefectural Cities
PROVINCE OF KIANGSE
PROVINCE OF FUKIEN
HWEI CHOW FOO
KIA YING CHOW
CHAO CHOW FOO
IRON & COAL DISTRICT
IRON & COAL
COAL
LEAD
SUGAR DISTRICT
SUGAR
Ping yuan
Chen ping
Ta pu
Sanhopa
Ping toun
KIA YING
Hing Ning
Changlo
Lew wang
Feng shun
Jao ping
CHAO CHOW
Kityang
Huang kung
Tung hing
Chen hai
Swa tow
Namoa
Double Island
Puning
Chao yang
H.M. CONSULATE
Cape of Good Hope
Hwei lai
Hai fung
Lufung
Breaker Point
Cupche Point
Geographical Miles
0
10
20
30
40
50
Harrison & Sons lith.


SKETCH MAP
SHEWING PLACES IN THE VICINITY OF
KEW KEANG
WITH WHICH COMMUNICATION IS DESIRED,
AND THEIR DISTANCES BY WATER.
The Yang tsze
Ta kiu tang
KEWKEANG
KEANG SE
Ko mun
138 Miles from Jao chow
NAN KANG
Tee chang
AN HWUY
Fow leang
63 Miles
Woo yuen
120 Miles from Jao chow
Kin teh chen
57 Miles from Jao chow
Woo ning
ENING CHOW
120 Miles from Woo chang
Woo ching
45 Miles from Kew keang
Keen chang
JAO CHOW
85 Miles from Kew keang
Teh hing
68 Miles from Jao chow
Le ping
59 Miles
Jiu kung
90 Miles from Kew keang
NAN CHANG
60 Miles from Kew keang
He kou
120 Miles from Jiu kung
LIN KEANG
Chang shu chên
50 Miles from Nan chang
FU CHOW
NOTE.— Distances are in English miles.
Denotes a fu, city or prefecture.
" a heen, or district city.
Duty barriers are very numerous, and the position of many of them cannot be determined. At all the tea districts are several. At Ta-kee-tang duties are collected for the Kewkeang Customs from every tea-laden junk before it leaves the Lake.
Wm Hoopper
May 6th 1868.

have, however, obtained some slight information on the subject, which I have annexed to this despatch.

As regards the object of the inquiries directed in your despatch, the fact of the import trade in merchandize at this port being entirely in the hands of the Chinese renders increased privileges in the navigation of the inland waters a matter of less consequence to the foreign merchant at this than at any of the other open ports, particularly the Northern ones; and the reason for this is obvious; the market for foreign merchandize is the British Colony of Hong Kong, at which Chinese effect their purchases themselves, and import the goods into the province. I doubt that a single piece of manufactured fabrics, or a bale of raw cotton, or a chest of opium, was, unless I am much mistaken, brought into Canton during the past year by a foreign firm; and my inquiries as to the benefits that might result from increased accessibility to the interior towns have met with but lukewarm response.

The same may be said of exports, which are still in foreign hands. The teas and silk, cassia, &c., are brought to Canton, where very strong combinations exist; to which the Unions, so much talked of, of late, in England, are nothing to the stringency of their rules. No foreigners going into the interior with the view of effecting purchases would meet with any success. The Guilds would be too strong for them; hence it is not attempted, and the export produce market is centred in Canton.

You will see, therefore, whether increased privileges in the navigation of the inland waters for the transport of goods to the places of consumption, and Chinese produce from the places of origin, would benefit the foreign merchant, is, as far as concerns this province, a matter for experiment.

As regards the advantages to be derived to trade by residence in the interior, that, too, is a point that must remain unsettled until it is tried. My own impression is, that the foreign merchant makes a great mercantile mistake in desiring the diffusion of trade over a wide area. Concentration, and not extension, should be his object; for the first is strength, and the last weakness. I believe myself the deplorable results which have attended foreign trade in China during the past few years are attributable in a great measure to the opening of the Yang-tsze River; and that if few instead of many ports had been the policy, the cost of extended establishments and unlimited competition would have been spared. This, however, is a matter of opinion, though I venture to think the time will come, if it has not already, when others will endorse it.

But of course there is always a large class in a foreign community who are clamorous for extended privileges and facilities, with no very definite ideas of what they are or where they lead to; that is, ideas founded on a sound basis of mercantile policy. It is sufficient for such persons that a new opening for their energies presents itself; and they imagine, therefore, it is the bounden duty of Her Majesty's Government to forward their interests. Doubtless an ample reply to such theories is the simple proposition: which is to be consulted, the policy of the country and the general good of trade, or the particular interests of individuals?—a question that, after a careful study of all the memorials sent in regarding the revision of the Treaty, I do not see elucidated.

In addition to the Memorandum above alluded to, I inclose a map of the Province of Kwang-tung, with the towns and places I have mentioned marked upon it.

Your, &c.

(Signed) D. B. ROBERTSON.

Inclosure 2 in No. 59.

Memorandum on Inland Towns of the Province of Kwang-tung, &c.

SHAO-CHOW-FU, a large walled city situated on the North River near the boundary of the province. It is known to be a place of considerable importance. The Taeping-kwan Inland Custom-house is placed there, and it is in the direct route to the provinces of Hunan and Kiang-si. Very little is known of its trade. The communication from Canton is by the North River; distance about 140 miles.

Shao-king-fu, situated on the West River, about 90 miles from Canton, with which it communicates by branches of and canals debouching into the West River. It has a population of about 20,000, and was formerly the capital of the province. The trade has no particular features.

Shih-lung, on the East River, about 40 miles from Canton, a place of considerable importance, with a population of some 40,000. There is a large trade with Hong Kong and Canton, Fuh-shan (Fat-shan), and other places, in refined sugar, oil, &c.

Po-lo-heen (Poklo), also on the East River, about 100 miles from Canton, with a population of about 10,000, a walled city and a place of some importance also.

Hwei-chow-fu, on the East River also, some 12 miles beyond Poklo, with a population of between 40,000 and 50,000. It is divided into two walled cities, one on each side of the river, where the Tam-shui River debouches, connected by a bridge of boats. The large number of junks and passage-boats afford evidence of considerable trade.

Fuh-shan (Fat-shan), about 15 miles from Canton, and approached by a network of canals; the population, about 500,000, noted for its manufactures of paper, iron castings, common crockery-ware, and various articles, among others, bricks and tiles. As a place of trade it is second in importance to Canton alone. The shops are large and well furnished with goods, and there is every appearance of wealth and prosperity. During the occupation of Canton by the allies, the trade was transferred to Fat-shan, and it has not since declined.

Tai-leung (Shun-tê), the capital of the Shun-tê district, about 40 miles from Canton, with a population of about 40,000, and, like Fat-shan, the centre of a network of canals.

It is the principal place in the silk districts, and of considerable importance, and much trade. The country around is densely populated.

With all these places and Canton a constant communication is kept up by passage-boats and junks of all kinds, the water communication being uninterrupted and perfect.

There may be other towns in the interior of equal importance, but I have little or no information about them. I have been up the great West River, second only to the Yang-tsze in size, so far as Woo-chow-fu in Kwang-si, some 194 miles. The towns, however, were poor in appearance, and there was little evidence of trade. It is apparent, therefore, that the centre of commerce is the rich alluvial districts that surround Canton in a radius of 170 miles, and beyond that, as far as I have seen, mountain land, ancient and rather dilapidated walled cities, and a spare population prevail.

The Custom-house and tax stations are—

North River.—Inland Custom-house, Shao-chow-fu; tax station, Lupao.

West River.—Tax station, How-li near Shao-king-fu.

East River.—Tax station, Pak-sha near Shek Lung.

Besides these there are numerous petty district stations for the levy of a small local taxation, frequently represented by a boat anchored off some creek with a collector or two on board, by which the magistrate ekes out his scanty income.

(Signed) D. B. ROBERTSON.

Inclosure 3 in No. 59.

Map of the Province of Kwang-tung.

No. 60.

Consul Caine to Mr. Hammond.—(*Received August* 10.)

Sir, *Swatow, June* 20, 1868.

I HAVE the honour to inclose, under directions from Her Majesty's Minister, copy of my despatch of yesterday's date, on the subject of the capabilities of the inland waters of this Department for trading purposes, &c.

I have, &c.

(Signed) G. W. CAINE.

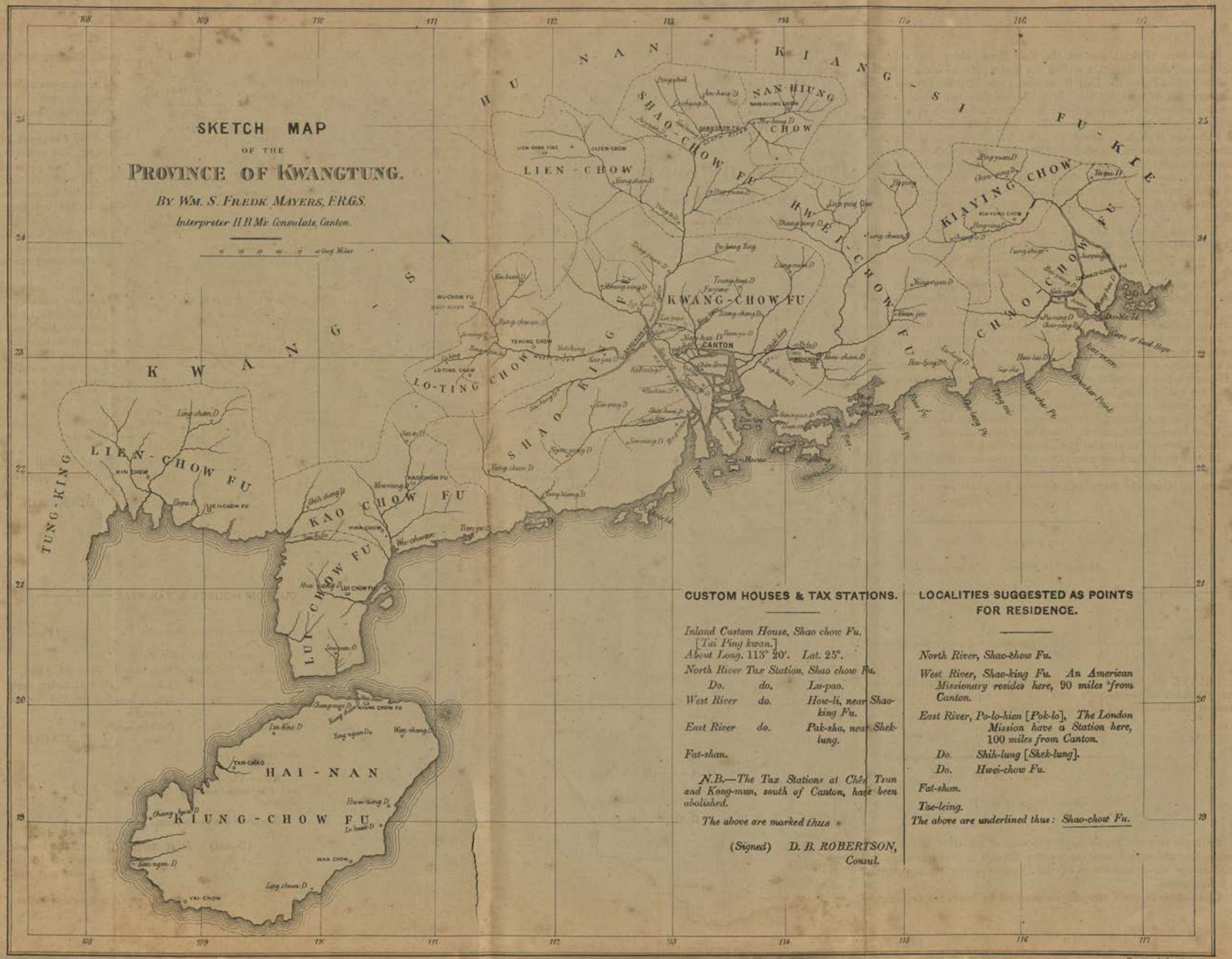
Inclosure 1 in No. 60.

Consul Caine to Sir R. Alcock.

Sir, *Swatow, June* 19, 1868.

IN reply to your Excellency's Circular of the 21st March last, I have the honour to state, that although I have made every attempt to obtain reliable information as to the capabilities of the inland waters of this Department for trading purposes, I have met with but little success.

Chao-chow-fu itself can only be reached by boats not drawing over 2 feet of water;



CUSTOM HOUSES & TAX STATIONS.

Inland Custom House, Shao chow Fu.
[Tai P'ing kwan.]
About Long. 113° 20'. *Lat.* 25°.
North River Tax Station, Shao chow Fu.
Do. do. Lu-pao.
West River do. How-li, near Shao-king Fu.
East River do. Pak-sha, near Shek-lung.
Fat-shan.

N.B.—The Tax Stations at Chên Town and Kong-mun, south of Canton, have been abolished.

The above are marked thus +

(Signed) *D. B. ROBERTSON,*
Consul.

LOCALITIES SUGGESTED AS POINTS FOR RESIDENCE.

North River, Shao-chow Fu.
West River, Shao-king Fu. *An American Missionary resides here, 90 miles from Canton.*
East River, Po-lo-hien [Pok-lo], *The London Mission have a Station here, 100 miles from Canton.*
Do. Shih-lung [Shek-lung].
Do. Hwei-chow Fu.
Fat-shan.
Tae-leing.
The above are underlined thus: Shao-chow Fu.

and in some places the channel is not more than from 30 to 40 feet wide—this is of course in the dry season. In March the water rises at the city some 10 or 12 feet, and continues in this state till October, when it again falls. At all times there is a very strong ebb tide past the city, the flood not being felt so high up.

I have been up the river thirty-five miles above Chao-chow-fu; the stream the whole distance was running like a sluice. The boats used are very shallow, but carry a great quantity of cargo; they are always poled or tracked, unless the wind be fair: their rate of progress is about two miles an hour.

In consequence of foreigners not having yet resided at Chao-chow-fu, or gone much into the country, not many inland marts are known. Sugar is produced all around, and comes down the country or from sea in small junks; the principal districts for its growth being Kityang, Hwei-lai, and Wong Kong.

Foreign imports are sent to the same places, as well as to Keaying-chow and Hing-hing, the latter place being the chief purchaser of cotton, shirtings, &c.

All the communication with these several places is by sea or river; but beyond Keaying-chow there are rapids, over which the native boats manage to pass, but frequently meet with disaster.

The sketch map which accompanies this despatch will show the distances of these marts from this port.

I do not consider that, at present, merchants would care about residing beyond Chao-chow, though a right of residence at Hing-hing, in Keaying-chow, might be of benefit hereafter, on account of the wealth of the district; in which, also, there are coal, lead, and iron mines.

The Customs stations, so far as I can discover them, are marked on the map in yellow.

In the river running west from this to the city of Kityang, there is from 14 to over 30 feet of water; but the navigation for the first ten miles is rather intricate. A tug-steamer would, I fancy, answer well on this branch, to tow down the heavily-laden sugar-junks.

Your, &c.
(Signed) G. W. CAINE.

Inclosure 2 in No. 60.

Map showing Marts and Inland Waters of the Chao-chow Department.

No. 61.

Mr. Tollemache to Lord Stanley.—(*Received August* 14.)

Helmingham Hall, Stonham, Suffolk,
August 13, 1868.

My Lord,

I BEG to forward to you the accompanying letter from the Salt Chamber of Commerce at Northwich, which letter I venture to hope, after receiving your Lordship's best consideration, will be forwarded to the British Minister in China, Sir R. Alcock; and I remain, &c.

(Signed) J. TOLLEMACHE.

Inclosure in No. 61.

The Chairman of the Salt Chamber of Commerce, Northwich, to Lord Stanley.

Salt Chamber of Commerce, Northwich,
August 8, 1868.

My Lord,

THIS Chamber, respectfully referring to their correspondence with the Foreign Office in 1866 upon the subject of importation of British salt into China, take the advantage of the expected arrival of a special Envoy from that Empire to approach your Lordship again.

Many and various discussions have since taken place amongst the commercial bodies at the various Chinese ports, and they only tend to confirm the arguments used by the Chamber in their various memorials upon the subject.

They therefore hope that your Lordship may see fit to modify your conclusion of 1866, and give weight to the reports of the Consuls, which one and all shadow forth the practicability and desirability of a great foreign trade in salt with the Chinese Empire.

The great fact that an article like salt is much required by the marines of all nations as freightage outwards in the China trade is so patent to the interested communities that the special Envoy of His Chinese Majesty may be induced to advocate our cause, especially when it is pointed out to him that the salt revenue of the Empire is immensely injured by smuggling, which a collection through the Custom-house of Shanghae from foreign ships would most effectually remove.

The increase of tonnage from Liverpool to Calcutta within the last ten years, that is, since the actual opening of the salt trade with India, will prove the beneficial effect upon the mercantile shipping of this and other countries, and the figures of the Budget of Sir Stafford Northcote (an increase of 1,500,000*l.* from 3,805,000*l.* to 5,342,000*l.*, since 1861 to 1866) show how much better the revenue is raised by foreign Customs than an internal excise in an article like salt.

If your Lordship will be pleased to entertain this subject again, perhaps, in conjunction with Mr. Burlingame, a great stride will be made towards the object sought by this Chamber, viz., to open the market of China to the British salt trade, which could not do otherwise than confer an immense benefit on the inhabitants, and vastly increase the revenue of that country, as can be proved by what has occurred in India.

I have, &c.
(Signed) H. E. PALK.

No. 62.

Consul Fittock to Mr. Hammond.—(*Received August* 15.)

Sir, *Ningpo, June* 16, 1868.

I HAVE the honour to forward, in accordance with instructions received from Sir R. Alcock, K.C.B., and for your information, copy of my despatch to Her Majesty's Legation of the 9th of May, 1868, with its inclosure, consisting of a Memorial of the British merchants resident at Ningpo with regard to the revision of the Treaty.

I have, &c.
(Signed) W. H. FITTOCK.

Inclosure 1 in No. 62.

Consul Fittock to Sir R. Alcock.

Sir, *Ningpo, May 9, 1868.*

CONFORMABLY with your instructions transmitted in Circulars Nos. 3 and 4 of the 20th and 21st of March, I have now the honour to forward herewith the views of the majority of the mercantile community at this port on the subject of bonded warehouses, increased privileges in the navigation of the inland waters, situation of the chief markets in the province of Chekiang, means of access to them, and the value they attach to a right of residence in the interior, together with some remarks on the important subjects of barriers and local Custom-houses, and local imposts or taxes on foreign goods, which will no doubt receive from your Excellency the attention they deserve.

I regret to say I have not the means at hand to prepare a sketch map giving the routes and relative situations and distances of the towns referred to in the Memorial, and press of other work prevents me reviewing the remarks of the Memorialists without delaying its transmission; so I consider it more important that it should be transmitted at once without comment.

Your, &c.
(Signed) W. H. FITTOCK.

Inclosure 2 in No. 62.

Memorial addressed to Consul Fittock by certain of the British Merchants resident at Ningpo, dated April 22, 1868.

Sir,

WE, the undersigned British merchants resident at this port, beg, in answer to your communication of the 16th instant, to lay before you the following remarks, which, if adopted, may be beneficial to the foreign trade:—

1. *Bonded Warehouses.*

We consider these would afford great facilities to the general trade of the port, and suggest also that those who choose to have their own bonded warehouses be permitted to do so, subject to the approval of the proper authorities.

2. *Right of Residence in the Interior.*

There cannot, we think, be two opinions on this point. Personal and local superintendence of the produce which foreigners require must be far better than being deputed to Chinese compradores alone. Bargains, too, made by ourselves with the producers are generally more satisfactory than when made with the speculators or contractors at the open ports.

That none but foreigners of respectability, and whose good conduct can be guaranteed, be permitted to reside in the interior; and, in the event of any dispute arising with them and the natives, such disputes to be referred for settlement to the Consul under whose jurisdiction the foreigner may reside; and that rules should be made by the respective Governments whereby life and property might be protected without restricting too much the intercourse with ourselves and the natives.

Contracts made between foreigners and Chinese would be much simplified, and tend to prevent dispute, if a recognized legal form in Chinese was drawn up and published, and sanctioned by our own and the Chinese Ministers at Peking.

We would suggest that no fixed localities be decided upon, but that the foreigner individually be allowed to find out the importance of any place in the interior, and if he decides upon residing in any such locality he can do so by reporting the same to his Consul; the present system of passports ought to be sufficient for his protection.

3. *Inland Communication.*

It might, with advantage, be represented to the Chinese Government that the canals in the Che-kiang province are in a bad state, and the want of water at certain seasons frequently prevents the transit of produce, so much so that in cases of dearth or famine relief cannot be afforded at a moderate rate.

Steam communication would be extremely advantageous if the Tsen-tang River was open to foreigners as previous to the rebellion in this province. Coal mines were worked at Kiang-san, 900 li,* Show-chang, 630 li, Suy-an, 640 li, from here, besides other places on the banks of the above river, the annual produce of which exceeded 250,000 taels.† These mines are still open, though the working of them has ceased from various causes.

In this province there are 11 foo and 72 yuen,‡ the majority of which are accessible by water.

The chief marts of trade for foreign manufactures are Shao-hing, 290 li from Ningpo; Hang-chow, 380 li;§ Kew-cho, 900 li; Yen-chow, 630 li; Kin-hwa, 810 li; Hoo-chow, 580 li; Tha-chow, 320 li; Wên-chow, 800 li; and other places: these, however, are the principal ones to which foreign goods now go.

As we are situated at Ningpo we should value steam and boat communication with Chusan and other islands of the Chusan group, with right of residence at some of them for short periods, and especially for sanitary purposes. Also for the trade in medicines, dye stuff, and cuttle fish, in which last a large business is transacted during the season.

4. *Barriers or Local Custom-Houses.*

Goods which now go inward under transit-passes go to a certain place, but if not sold there, and it is desirable to remove them to other places, are subject to numerous imposts.

We think that the system might be made more equitable by specifying "inland goods," after which the goods to be free in any port of China, and capable of being moved anywhere and without further exactions. A lower rate of duty is also very desirable, the present rates being excessive.

It is, in our opinion, contrary to the spirit of the Treaty that confiscation of goods at the barriers and elsewhere take place if there is an excess of weight, or dispute as to

* 287 li = 9·100 miles English. † 1 tael = 6*s*.

‡ Foo is a prefecture city; a yuen is a district city.

§ *Sic*, probably a clerical error for 530 li.

quality and value. As it is extremely difficult to give Canton weight of goods bought promiscuously in the interior, where weights differ so much, may not this harsh rule be ameliorated, and in this and other similar cases a difference in weight or description not be made a cause of confiscation?

The local tax offices are at Keang-pih (foreign Settlement), two, viz., Yang-kwang-keuh,* Yang-yo-keuh.†

In the vicinity of the city there are four, viz., Haou-ho, Nan-mun, Wan-tow, Ne-kea-yeu. There are five others between this and Hang-chow.

It is difficult to ascertain the dues collected at these places; and a too close inquiry by us might be offensive.

5. *Local Imposts, or Taxes on Foreign Goods.*

We suffer from these in an anomalous manner. At this port we can, under transit-passes, send our goods throughout the whole of the province by payment of half-duty at the barriers; but we cannot take our goods into the city‡ under the same rule, as the imposts on goods which go into the city are more than the half or transit duty amounts to; so that a native of Shao-hing, 290 li from this, can buy foreign goods cheaper than they can be bought in the city of Ningpo.

The local taxes on the principal foreign goods are as follows, viz.:—

		H. Tls.§	M.	C.	c.	
Shirtings, *T*-cloths, &c.	Per piece	0	0	0	100	(about 5½*d.*)
Camlets	„	0	0	6	0	(3*s.* 11*d.*)
Lustres	„	0	0	1	8	(1*s.* 2*d.*)
Lastings	„	0	0	4	4	(2*s.* 10*d.*)
Habit cloths	„	0	0	7	2	(4*s.* 9*d.*)
Long ells	„	0	0	2	0	(1*s.* 4*d.*)
Lead	Per picul‖	0	0	3	0	(2*s.*)
Tin	„	0	1	0	0	(6*s.* 8*d.*)
Iron	„	0	0	1	6	(1*s.* 0½*d.*)
Steel	„	0	0	5	0	(3*s.* 4*d.*)
Tin plates	Per box	0	0	2	0	(1*s.* 10*d.*)

In conclusion, we beg to bring before your notice the enormous power wielded by the Commissioners of Customs as the Treaty now stands. Where small fines would be inflicted in England for repeated errors, &c., in China they can and do confiscate, in some cases causing the pecuniary ruin of merchants. In all other matters in the Treaty, Chinese officials are bound to act in concert with the Consul. On this point, however, they appear to act as they please, which gives some of them an opportunity of venting personal feeling against foreigners, when public justice should alone rule their conduct.

We know that the Chinese look upon the mercantile community as a very low class, but we think differently; and appeal to you, that through your representations injudicious and fluctuating taxation may be redressed. In times of panic they lower their taxes to please foreigners, and in times of safety increase them to the prejudice of our commerce.

If this country is opened, mines of coal might be worked for which royalties can be paid. This and other sources of legitimate taxation will show themselves by which the Government would be strengthened, and the country become more prosperous.

We are much obliged to you for having given us this opportunity of making the above suggestions, and trust they will be of service to you in making your Report to Her Britannic Majesty's Minister at Peking.

We have, &c.

(Signed) WM. DAVIDSON.
WM. REES.
J. S. HUDSON.
GEORGE M. HART.
E. WADMAN.
J. F. PRICE.
WM. HART AND Co.
E. AMBACH AND Co.
T. JOSEPH.
E. JACOB.

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* Tax office of foreign and Canton general merchandize.

† Tax office of opium.

‡ *i. e.*, City of Ningpo.

§ Haiquan taël = 6*s.* 8*d.*

‖ 1 picul = 133 lbs.

No. 63.

Consul Fittock to Mr. Hammond.—(Received August 15.)

Sir, *Ningpo, June 18, 1868.*

I HAVE the honour to forward, for your information, copy of my despatch to Sir R. Alcock of the 17th June, 1868, containing some remarks on the Memorial of the British merchants at Ningpo with regard to the revision of the Treaty.

I have, &c.

(Signed) W. H. FITTOCK.

Inclosure in No. 63.

Consul Fittock to Sir R. Alcock.

Sir, *Ningpo, June 17, 1868.*

WITH reference to my despatch of the 9th May last I do myself the honour to offer the following remarks on the Memorial of the British merchants residing at this port. These remarks should have accompanied the above despatch to Peking, but I was debarred from making them by press of other business in the office at the time the Memorial was forwarded.

As regards bonded warehouses, I fully concur with the Memorialists in the desirability of their establishment, but think it would be advisable to introduce them on an uniform system at all the ports.

As regards right of residence in the interior, I consider it desirable that a more liberal and extended reading of the Treaty of Tien-tsin, Article XII, should be conceded, but under stringent precautions. Peasons allowed to reside inland should be granted special papers, renewable yearly, to be countersigned by the Chinese authorities, and a fee of say 25 dollars per annum should be charged for the same. Difficulties would arise in all probability, both as regards protection to life and property, and the conduct of business transactions, and these would have to be provided for. Business difficulties might be simplified by a uniform system of contracts to be drawn up in duplicate, in English and Chinese, to be attested by the interpreter of the Consulate, and signed in the presence of the Consul, each party to the transaction retaining a copy of the contract. This arrangement would apply to most engagements, as the contract could be signed at the port, though its execution had to take effect in the interior; but when contracts were made in the interior, they should be drawn up in the language of the vendor, and when in Chinese they should be attested by the Magistrate of the district, in order that an official character might be given to the document in the event of its being used in litigation. The handwriting would be sufficient for the identity of the document if in English; and each party should be provided with a copy of the contract, whatever its nature.

As regards allowing steam and other communication under the British flag with Chusan and the other islands of the Archipelago, I cannot but consider this concession would be of the highest importance to our mercantile and shipping interests. Ningpo is from its position the natural port on the mainland, for the reception and distribution of the valuable produce of the adjacent islands, as also for supplying the wants of the insular inhabitants with foreign goods. These islands are said to have a population of some 140,000 inhabitants, who have the reputation of being a hardy and industrious race; they have never been subjected to the baneful contact of rebels; and the people are said to be in a far more prosperous condition than the population of any other part of the Chinese dominions.

Ting-hai, the capital of Chusan, and the principal port of the islands, is only about fifty miles from Ningpo, and the navigation is safe for even small boats. At Ting-hai are gathered thousands of small junks, chiefly engaged in the fisheries, the produce of which is sent to Ningpo for distribution; during last year, for instance, over 175,000 piculs, or about 11,000 tons, of salt-fish were so received here and conveyed in foreign bottoms to distant ports. Were Ting-hai made an open port it could be conveniently called at two or three times a week, or oftener, by the steamers running between Shanghae and Ningpo. In these steamers natives and foreigners are alike interested, as they belong to the Shanghae Steam Navigation Company; and I think it cannot be doubted that the concession would prove a mutual benefit of high importance to all concerned, and an establishment of a Vice-Consul at the port in connection with the Consulate of Ningpo

would fully suffice for the maintenance of order and the superintendence of public affairs, &c.

As regards goods sent into the interior, accompanied by transit-passes, Article X of the Treaty of Nanking, Article XXXIII of the Treaty of Tien-tsin, and Rule 7 of the Regulations attached to the latter, provides that when British merchandize shall have once paid at any of the open ports the regulated customs and dues agreeable to the tariff, such merchandize may be conveyed by Chinese merchants to any province or city in the interior of the Empire of China, on paying a further amount as transit duties, but any unauthorized sale of such goods *in transitu* renders them liable to confiscation (*vide* Rule 7). I think the time has arrived for a freer circulation of foreign goods in the interior, and I agree with the memorialists in their opinion that the transit system would be more beneficial if the sale of the goods were permitted whilst *in transitu*, if a suitable mart were found for their disposal; for instance, I see no reason why an invoice of goods *en route* to, say, Hang-chow, distant 530 li, should not be disposed of at the nearer marts of Shao-hsing, 290 li, Shan-yu, 200 li, or Yu-you, 120 li, &c., if a desirable opportunity offered.

As regards local imposts or taxes on foreign goods, I think the complaint of the merchants well founded; but as I do not know that these imposts are illegal, being imposed on the goods after they have passed into native hands, and upon native and foreign goods alike, I can only wish that the exigencies of the Imperial Treasury admitted of a more liberal octroi or scale of local taxation. There can be no doubt that the exactions complained of tend very much to cripple trade, and to prevent its natural development.

With regard to the views of the memorialists in regard to confiscations, I consider them exaggerated. The right of confiscation naturally exists with the Sovereigns of the country, and the conditions under which ships, and goods, and chattels become liable to confiscation are clearly enough defined to serve as a warning to all but the most careless or designing. In my own experience (which is considerable) I have never known of any confiscation having taken place out of "petty spite," or "personal feeling," nor do I think that any such illegal proceeding could be executed with impunity, as it is quite competent for the Consuls to obtain redress from the Superintendent of Customs, or, failing this, to appeal to the Minister at Peking.

As regards the working of coal and other mines, no doubt this would be a most valuable concession, both to foreigners and natives, whilst the addition of such a legitimate source of revenue to the Imperial Treasury can scarcely be overvalued.

I believe I have simply touched upon the most important subjects contained in the Memorial, and I trust my remarks will not be deemed out of place.

I am forwarding a copy of this despatch direct to the Foreign Office.

I have, &c.
(Signed) W. H. FITTOCK.

No. 64.

Mr. Hammond to Mr. Tollemache.

Sir, *Foreign Office, August* 19, 1868.

I AM directed by Lord Stanley to acknowledge the receipt of your letter of the 13th instant, forwarding a Memorial from the Salt Chamber of Commerce at Northwich.

I am, &c.
(Signed) E. HAMMOND.

No. 65.

Mr. Hammond to the Chairman of the Salt Chamber of Commerce, Northwich.

Sir, *Foreign Office, August* 19, 1868.

I AM directed by Lord Stanley to acknowledge the receipt of the Memorial of the Northwich Chamber of Commerce, dated the 8th instant, relative to the importation of British salt into China.

I am, &c.
(Signed) E. HAMMOND.

No. 66.

Lord Stanley to Sir R. Alcock.

Sir, *Foreign Office, August* 21, 1868.

I COMMUNICATED to the Board of Trade your despatch of the 25th of May, forwarding a Circular issued by you to the Consuls under your superintendence, together with a further correspondence with the Chinese Government relative to the question of a reduction of the duty on tea-dust; and I have to acquaint you that the Board have informed me that, under the circumstances of the case, they entirely concur in the views expressed and in the course taken by you. At the same time they add that they are not wholly surprised that, when the duty on tea-dust of a certain value was reduced, the merchants should have imagined that the reductions applied also to refuse tea of a similar or lower value, for from a commercial point of view there should be a proportion between duty and value; but the Board are of opinion that, as the Chinese authorities seem to be apprehensive of danger to the revenue in case of an *ad valorem* duty being charged on tea, there can be no doubt that they are quite justified in limiting the reduction to tea-dust in the strict acceptation of the term.

I am, &c.
(Signed) STANLEY.

No. 67.

Consul Pedder to Mr. Hammond.—(Received August 24.)

Sir, *Amoy, June* 23, 1868.

IN accordance with instructions from Sir Rutherford Alcock, K.C.B., I have the honour to inclose copy of a despatch, with inclosures, which I have addressed to Her Majesty's Minister at Peking respecting the places in connection with this port where a right of residence of a conditional kind, by foreigners, for purposes of trade, would be productive of advantage to the foreign trade of Amoy.

I have, &c.
(Signed) W. H. PEDDER.

Inclosure 1 in No. 67.

Consul Pedder to Sir R. Alcock.

Sir, *Amoy, June* 23, 1868.

IN accordance with the instruction contained in your Circular of the 21st March last, I have the honour to inclose a list of places in connection with the port of Amoy where a right of residence of a conditional kind by foreigners for purposes of trade would be attended with advantage to the trade of this port; I also inclose a rough sketch map of the country immediately round Amoy, from which some general idea may be gained of the directions in which there is water communication with the interior, whilst four of the nearer places mentioned in the list are shown on it. The other three places are beyond the limits of the map, and I could not have made the map large enough to take in those places without resorting to guess-work. But as a rough guide to their direction from Amoy I may state that Si-ping (No. 5 on the list) is a little beyond the northern limit of the map, between longitude 117° 30′ and 118° east; and that Ning-yang (No. 6) and Lung-yen (No. 7) would lie within lines drawn north and north-west from Chang-chow (No. 1); Ning-yang being in the northerly, and Lung-yen in the more westerly, direction.

Of the places mentioned in the list, Chin-chew, Nganki, and Si-ping (Nos. 2, 3, and 5), are in the Department in which Amoy is situated and under the jurisdiction of the Taoutae at this place. The other places are in Departments under the jurisdiction of the Taoutae at Chan-chow (No. 1), whose intendancy bounds the harbour of Amoy on the south, as that of the Taoutae here bounds the port on the north.

Owing to the shallowness of the rivers none of the places mentioned from Nos. 3 to 7 inclusive are accessible to any but the Chinese craft suited to the navigation. But small steam-boats, about the size of a man-of-war's steam-launch, could be employed between this port and Chang-chow (No. 1) as tugs for the Chinese cargo-boats; and Chin-chew (No. 2) would be accessible to small foreign vessels by the outside route.

As there are no places of surpassing importance in the interior connected with this port, except Chang-chow and Chin-chew (Nos. 1 and 2), and goods and produce are taken to and brought from a great number of markets of moderate importance, possessing, by report, about equal claims to consideration, it is not certain that the last five places mentioned in the list are the best that could be selected or that they include all which would be useful; I believe, however, that no useful places will be found to be beyond the limits of the Departments containing the places mentioned in the list. It might, therefore, perhaps be arranged for the right of residence to be conceded for the places mentioned (or others not exceeding in all, within those Departments), with a right of application to exchange any of these for others after a season of trial. I would suggest that ten places be the number limited, though I believe that, in the end, the rights conceded would not be exercised at more than half that number of places. I mention the larger number, however, that merchants might have a full number to select from after trial.

Your, &c.
(Signed) W. H. PEDDER.

P.S.—In accordance with your instructions I am forwarding copy of this despatch to the Foreign Office.

W. H. P.

Inclosure 2 in No. 67.

List of Places connected with the Port of Amoy, access to which by Foreigners for purposes of Trade would be a benefit to the Trade of Amoy.

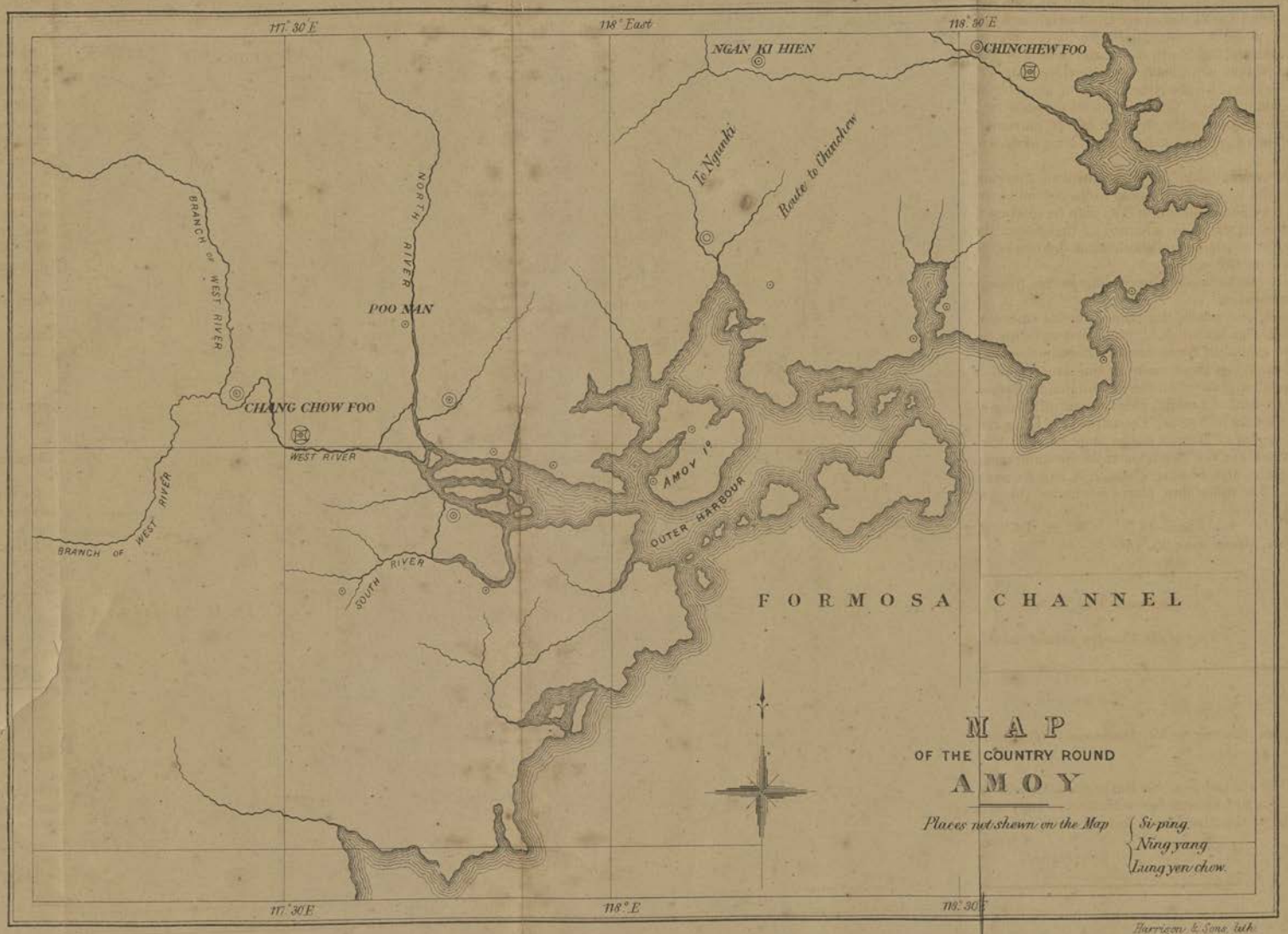
1. CHANG-CHOW, the capital city of the Department of the same name, is situated on the West River, about thirty-five miles from Amoy in a westerly direction; can be reached from Amoy with the flood-tide in about six hours. The Chang-chow Department extends to the sea, and bounds the port of Amoy on the south side. The West River is shallow; but as the tide flows beyond Chang-chow, small tug-boats (the size of a man-of-war's steam-launch) might be employed for the towage of cargo-boats between Amoy and and that place.

2. Chin-chew (local pronunciation by which it is best known to foreigners), the capital city of the Department of the same name in which Amoy is situated, is situated on the banks of a river about forty-five miles from Amoy in a north-easterly direction. There is water communication by the channel round Amoy Island, and thence up one of the Tung-an rivers for about two-thirds of the distance, leaving about fifteen miles of land-travelling. A better route for merchandize, however, would be round by sea and then up the Chin-chew River. The length of passage by either route would be about the same, namely, from twelve to fifteen hours. The latter route would be much less expensive for merchandize, on account of there being no portage as in the first-mentioned route by the Tung-an River. Passengers, however, would generally take the route viâ Tung-an. Only native craft could be employed by this route on account of the shallowness of the streams, but foreign schooners of the class largely employed between Amoy and Formosa would be able to get to Chin-chew by the outer passage. If trade was permitted at Chin-chew, it is probable that foreigners would seldom visit Nganki (No. 3) and Si-ping (No. 5), though the right of proceeding there would be of value indirectly.

3. Nganki, the capital of the district of that name, is situated on the Chin-chew River, about twenty miles west of Chin-chew (No. 2 in this list), and to the northward of Amoy, from which it is distant about forty miles. The remarks made regarding the routes from Amoy to Chin-chew (No. 2) will apply to this place also, except that the passage round by sea would take from six to ten hours longer on account of Nganki being further up the river, and that native craft must be used on the Chin-chew River above that city. As mentioned at the end of the remarks on Chin-chew (No. 2), the right of trade at Chin-chew would possibly prevent Nganki being much visited.

4. Poo-nan is a busy place on the North River, about forty miles from Amoy, where the large and small trading-boats from Amoy and from the upper part of the North River meet, and tranship their cargoes. The route to it from Amoy is westerly to the junction of the West and North Rivers, and thence north up the latter stream. Poo-nan can be reached from Amoy with the flood-tide in about seven hours. Native craft must be used on account of the shallowness of the North River.

5. Si-ping is situated to the northward and westward of Nganki (No. 3 in this list),



Harrison & Sons. lith.

and is approached from Amoy viâ Nganki (No. 3), or from a point on the North River. I cannot ascertain from report which route is the most convenient. The distance from Amoy—70 to 80 miles—is about the same by either route, and the journey would occupy about twenty-four hours. Native craft must be used by either route.

The right of residence here would probably be exercised for a week or two in the tea season if Chin-chew (No. 2) was opened to foreign residence.

6. Ning-yang, a place of great importance in relation to the tea trade of this port. It is reached by a branch of the North River, and is said by Chinese to be 200 miles distant from Amoy. This distance is probably overstated by from 50 to 80 miles. There are, at least, two portages for cargo by the river route, on account of rocky rapids and shallows which laden boats cannot pass. The journey from Amoy to Ning-yang takes from thirty to forty-five hours, according to the strength of the current of the river, which varies at different seasons. Native craft must be used. This place would probably be visited only during the tea season.

7. Lung-yen is the capital of the Department of the same name. It is in the centre of some tea districts and is said by Chinese to be 200 miles from Amoy. This distance is doubtless overstated by about 50 miles. It may be reached from Amoy viâ Chang-chow (No. 1) and the West River, or by a branch of the North River. There are portages by either route on account of rapids and shallows in the rivers; but I can gain little information from the Chinese on this point.

Native craft only can be used in proceeding to this place, which would be little visited except during the tea season.

I add, in Chinese characters, the names of the above-mentioned places and of the Departments in which they are situated, numbered as in the list:—

1. Chang-chow, capital of Department of the same name.
2. Chin-chew, capital of Department of the same name.
3. Nganki, capital of District of the same name in Department of Chin-chew.
4. Poonan, in District of Lungki, Department of Chang-chow.
5. Si-ping, in District of Nganki, Department of Chin-chew.
6. Ning-yang, capital of District of the same name in the Department of Ting-chow.
7. Lung-yen, capital of the Department of the same name.

Chin-chew, Nganki, and Si-ping (Nos. 2, 3, and 5), are under the jurisdiction of the Taoutae at Amoy. The other four places are under the jurisdiction of the Taoutae at Chang-chow (No. 1).

(Signed) W. H. PEDDER, *Her Majesty's Consul.*

British Consulate, Amoy, June 23, 1868.

Inclosure 3 in No. 67.

Map of the Country around Amoy.

No. 68.

Consul Sinclair to Mr. Hammond.—(Received August 29.)

Sir, *Foo-chow-foo, June* 26, 1868.

ACCORDING to the orders of Sir Rutherford Alcock, under date of the 30th of May last, I have the honour to transmit herewith to you copy of my despatch in answer to his Excellency's Circular of the 21st March last.

I have, &c.

(Signed) CHAS. A. SINCLAIR.

Inclosure in No. 68.

Consul Sinclair to Sir R. Alcock.

Sir, *Foo-chow-foo, May* 1, 1868.

I HASTEN to acquit myself, to the best of my ability, of the duty laid upon me in your Excellency's Circular of the 21st of March last, instructing me to obtain the best information as to the situation of the chief markets for consumption of imports and the

purchase of Chinese produce, the means of access to them by water, their distances from the port, and further, to furnish a sketch-map, giving routes and relative position, and distances of the towns or districts within which the right of residence might be conceded with advantage to the trade of the port.

Accordingly, I have the honour to lay before you the information which I have obtained from various reliable sources, and also to transmit herewith a map, for the imperfect making of which I would claim your indulgence, indicating in Chinese characters the names of the places which chiefly derive their supplies through Foo-chow-foo, and which produce the teas, the staple export of this port, that are shipped from hence.

The locality thus marked out shows only a small portion of the Fuhkeen Province, comprising little beyond the valley of the Min. As the southern portion of the Province is supplied from Amoy, and the northern (with the country on the other side of the Bohea Mountains) from Ningpo, Shanghae, and Kewkiang, it will be observed that the field of operation is not of a very extensive character.

The chief markets for consumption, and production, and trade, are designated on the map in red inked Chinese characters; they are, Sing-tsun, Keen-yang, Keen-ning-foo, Yeng-ping-foo, and Shaou-woo-foo, and are those places within which it might be profitable to merchants to have the choice of residence. Of the above-named places, Keen-ning-foo, and Sing-tsun are, without doubt, the chief towns that take any considerable quantity of opium and English manufactures; in the other places, the business is of quite a retail character. It is also the case that in the upper tea districts, as at Sing-tsun, and indeed the whole of the Tsung-gan district, the manipulation of the leaf is in the hands of Kiang-si men, who cross the hills in the spring, and return to their native villages in the autumn, and who buy little or nothing in this province, in short, owing to the expense of transit and heavy inland local taxations, English manufactures can often be laid down in these upper tea districts at a cheaper rate from Kewkiang over the Bohea mountains, than from this.

To all the places marked out on the map there is access by the River Min or its subsidiary branches, by cargo-boat as far as Shwuy Kow, 220 li from Foo-chow, thence by "rapid boats" (purposely constructed for the rapids) to Keen-ning-foo, and further up even so high up as Sing-tsun by bamboo rafts; this is the way in which the teas are brought down the rapid streams from Sing-tsun and the neighbourhood to Keen-ning-foo. But, of course, the speediest mode of communication up from Keen-ning-foo, with Sing-tsun, Tsung-gan, Kaisow, &c., is by land.

The distances given in Chinese li (3 to a mile) are distinctly marked from place to place in red ink, thus making the distance from Foo-chow to Keen-ning 560 li, or 186 miles, and to Yen-ping about 440 li, or 146 miles.

With regard to the question of residence in the interior of the Province for purposes of trade, I feel my Report would not be complete if I did not submit for your appreciation a few of the opinions that have been advanced by resident merchants at Foo-chow-foo.

They are as follows:—

1. "Foreigners having the right of residence in the interior for the purposes of trade would not, I think, materially affect the trade of this port, either in its imports or exports; it is, however, a step in the right direction, and would eventually be of great advantage to foreigners themselves, more especially as it would enable them the better to control their Canton servants, who now squeeze them unmercifully, and to have the trade more in their own hands."

2. "With regard to a right of residence in the interior, there is no place at which I consider it would be advantageous for foreigners to reside for purposes of trade. On the contrary, I should look upon any such arrangement as most pernicious and highly injurious to foreign interests, and I most sincerely trust that nothing will induce our Minister to ask, or the Chinese Government to grant, such a concession. You may think such a statement extraordinary, but such permission would fearfully increase competition, and we have proved that being nearer to the consumers of imports and growers of exports has only increased the cost of the latter, and even lower the prices obtained for the former; this has been exemplified in Hankow to the fearful cost of many, and I only wish that permission to go into the interior for trade could entirely be denied to foreigners."

3. "I am quite of opinion that the fact of foreigners going into the interior to buy, would cause higher prices to be paid for teas; and the consumption of goods is not yet on a scale sufficiently large to support establishments in the country."

4. "I should like to see the Treaty ports reduced to three or four; and as regards the right of residence in the interior for business purposes, I consider that, if granted, it would be the means of creating a competition which would be most injurious, while it would not in the least induce a larger consumption of imports."

Should any further information be required on the subject of this Report, I trust to your Excellency favouring me with your instructions.

Your, &c.
(Signed) CHAS. A. SINCLAIR.

No. 69.

Consul Meadows to Mr. Hammond.—(Received September 12.)

Sir, *Newchwang, June 15, 1868.*

IN conformity with instructions this day received from Her Majesty's Minister, I have the honour to forward inclosed copy of my despatch to his Excellency of the 20th April last, being my reply to his Circular of the 21st March last.

I have, &c.
(Signed) THOS. TAYLOR MEADOWS.

Inclosure in No. 69.

Consul Meadows to Sir R. Alcock.

Sir, *Newchwang, April 20, 1868.*

IN reply to your Circular of the 21st March last, I have to report that the communication with the interior from this port-town for trading purposes by water is of so restricted a nature that it cannot be allowed to have any deciding weight in the consideration of the subject which your Excellency moots. It is restricted, first, by the shallowness of our one river (the Leaou, above this place), in which respect, as well as in regard to its good anchorage at this place, it may be likened to the Thames above and at London; and, secondly, by the ice, which, fixed and floating, renders it unnavigable above this town for about five months in every cold season.

But if we look to communication by land, and your Excellency speaks of "access by water or otherwise," then I have no hesitation in naming four places at which merchants should be allowed to reside, if a conditional privilege of that kind is to be conceded to them. These are Shin-yang and Sin-min-tun, Chuen, Ch'ang, and Kwan-ching-tsze. The first two, the nearest, I have visited several times in past years; the second and most remote two I visited in the course of the three months' excursion, which I made during the past autumn and early winter. I visited them mainly for the purpose of ascertaining their importance as places of trade, and of acquainting myself with the roads to them. But in the very journey by which I am now enabled to answer your Excellency's question unhesitatingly and unconditionally, I unfortunately incurred so grave an accession to my chronic ailments that I have, since my return in the end of December last, been, to a very serious extent, incapacitated for continuous desk-work, and am now recovering but slowly.

I am, consequently, unable to furnish you with the desired sketch-map, your circular requiring prompt answer, and it being quite impossible for me to say when I should be able to furnish such a sketch. I trust, however, that the following verbal notices of the four places, and of the roads to them, will, with such sufficient European maps as are doubtless at your Excellency's command, prove a practically adequate response to your instructions.

Shin-yang, called officially Shing-king, and best known to occidentals as Moukden, is the capital of this the most southerly of the three Manchoorian Provinces, and is also an important mart and entrepôt for both the imports and exports of this port town. Its position is north latitude 41° 50′ 30″ and east longitude 123° 40′ 44″, at about two miles from the right bank of the Hwan, a considerable eastern affluent of the Leaou. Its population I estimate at about 200,000. Its distance from the port of Newchwang is 120 miles. The road to it passes the city of Newchwang and that of Leaou-yang, and is nearly on a level throughout. In winter goods-carts require about four-and-a-half days to perform the distance; and moderately-laden passenger-carriages (small carts) about three-and-a-half days. In summer, unless the season is unusually dry, a masted and mat-covered cargo-carrying boat can approach by the Hwan to within a few miles of it.

Sin-min-tun, officially called Sin-min-ting, lies in north latitude 40° 41′ and east longitude 122° 50′, at about six miles from the right bank of the Leaou, and on the high road between Moukden and Peking. I estimate its population at about 30,000 to 35,000, which may be considered altogether commercial, the only yamên in the place being that of

the Sub-Prefect, while at Shin-yang or Moukden, the residence of all the higher provincial Mandarins, the population is to a considerable extent official and military. Its distance from the port of Newchwang by the winter road is 100 miles. The road is on a level throughout, running parallel to the Leaou, after having crossed it at about thirty miles from this port-town. Goods-carts perform the distance in winter in about three-and-a-half days, and passenger-carriages easily in three days. In the warm season the low river valley road becomes impassable, and the land road is by way of Moukden, a distance of 190 miles, and therefore not to be used for goods traffic, which is the less necessary as the water communications in that season by the Leaou enables small river junks and the masted and mat-covered cargo-boats already mentioned approaching to within six miles of it.

Chuen-chang, officially called Keih-lin, and known to occidentals as Kirin, is the capital of the north-easterly Manchoorian province Kirin. It lies in north latitude 43° 46′ 48″ and east longitude 126° 53′ 24″, on the left bank of the Sungari, or Sung-hwa-kiang. Its population I estimated at about 60,000. Its distance from the port of Newchwang is 390 miles. The road to it passes by Moukden and Teë-ling, and then, leaving Kae-yuen on the left hand, issues from this province into that of Kirin by the barrier gate called Wei-yuen-poo. From Teë-ling northward, *i. e.*, for about 225 miles, the road is more or less hilly and not much used for heavy goods-carts, excepting for the local traffic. Situated as Kirin is on the Sungari, before the latter has issued from among the lower spurs of the Long White Mountain range, it is not easy of access for the goods-carts of the country from any side; and had it not been made the seat of a Provincial Government, whereby it has attracted a considerable population, it could not have become of any commercial importance. In the warm season there is, however, for abont six months, a junk traffic between Kirin and the places on the lower portions of the Sungari.

Kwan-ching-tsze is officially called Chang-chun-ting. It lies in Eastern Mongolia, in about north latitude 43° 51′ and east longitude 125° 29′, on the left bank of the E-tung River (named Itun in Du Halde's maps), the most south-westerly of the affluents of the Sungari. The E-tung is too small there to admit of navigation, and Kwan-ching-tsze is, consequently, purely a land entrepôt and mart; but it is, in these respects, of much importance to the Consular port and district of Newchwang. Were I called on to select between Moukden and Sin-min-tun as places of residence for British merchants, I should hesitate which to name; but I should have no hesitation in preferring Kwan-ching-tsze to Kirin; and if residence were to be permitted at one place only, I should again have no hesitation in naming Kwan-chin-tsze. There being only one yamên in it, that of the Sub-Prefect of Chang-chun, the population, which I estimated at about 50,000, is altogether commercial; it is a very busy population, and the place is decidedly a rising one. It is the entrepôt from which the productions of foreign countries and China Proper are distributed to the Northern Manchoorian provinces and over a great portion of Eastern Mongolia, and at which the produce of those regions is collected for transmission southward, a large portion coming to this port-town for exportation. Its distance from the port of Newchwang is 330 miles. There are two roads, one, the "upper" one, used in early winter, passes by Moukden, Teë-ling, and Kae-yuen, issues from this province by the Ma-tseen barrier gate, and then proceeds in a nearly direct line through Eastern Mongolia. From Teë-ling to about 13 miles beyond Kae-yuen (or for a stretch of about 40 miles) this road is hilly and somewhat difficult for goods-carts. The "lower" road, used after the ground is thoroughly hardened by the frost, is by way of the Leaou valley, skirting Sin-min-tun, and issuing from this province into Eastern Mongolia by the Fa-koo-mun, whence it trends eastward, and joins the "upper" road after the latter has issued from the Kae-yuen hilly tract. This "lower" road passes throughout its length either over a dead level or over a slightly undulated country. Goods-carts in winter require from twelve to sixteen days to pass between Kwan-ching-tsze and this port-town, and passenger-carriages about ten days. Both Kwan-ching-tsze and Kirin, being in the basin of the Amoor, while this port is at the mouth of the Leaou, there is, of course, no river communication between it and them; neither is there any artificial water communication, canals being unknown in Manchooria.

If merchants are not allowed to reside at any city, if a selection must be made, then Kwang-ching-tsze should, I think, be the farthest. The cities further north, as, for instance, Pih-too-nah, A-lih-tsoo-kih, Tse-tse-ho-urh, Hoo-lan, and San-sing, are all severally much smaller and otherwise of less commercial importance, while their great distance from the port of Newchwang, the station of the nearest Consular Magistrate and Judge, would occasion much difficulty in cases of homicide or other serious criminal cases. It is next to certain that winter is the season during which merchants would reside in the interior. Now to travel northward for ten days in a native passenger-carriage or small

cart, or on horseback, against the then prevailing northerly winds, is somewhat trying for strong men in the prime of life. To travel six, eight, and ten days further, in the face of an increasing cold, and with inns getting worse, would be a serious trial for such men, and almost dangerous for one advanced in life and with the necessarily more or less weakened constitution of one who has served up to the position of a Senior Consular Officer in this country. Add to this the expenditure which such prolonged official journeys, with the indispensable train of servants, writer, and probably constable, and then, keeping in mind the small likelihood of greater commercial advantages, I hold that Kwan-chin-tsze and Kirin should be the farthest limits of continuous residence.

There are some intermediate trading-places deserving mention:—

Fa-koo-mun is a town of about 8,000 or 10,000 inhabitants, lying just within the barrier-gate of that name in north latitude 42° 30′ and east longitude 123° 30′, and on the "lower" road from the port of Newchwang to Kwan-ching-tsze.

Yu-shoo-ching-tsze, called officially Chang-too-ting, is a city of about 10,000 inhabitants, lying on the "upper" road from the port of Newchwang to Kwan-ching-tsze, in north latitude 42° 50′, and east longitude 123° 59′. It is the station of the Chang-too Sub-Prefect.

Mae-mae-kae lies in north latitude 43° 20′ and east longitude 124° 28′, beyond the junction of the upper and lower roads from the port of Newchwang to Kwan-ching-tsze. Its population is only about 4,000 or 5,000; but as its name, literally, "trading-street," indicates, it is of some commercial importance.

There are many other smaller towns both on the direct roads from the port of Newchwang to Kwan-ching-tsze and on both sides of those roads in which business could be done, the whole of that strip of Eastern Mongolia, from the Fa-koo and Ma-tseen gates on the south, to about two days' journey beyond Kwan-ching-tsze, on the north, being occupied by a Chinese population, and an undulated tract as completely under cultivation as are the plains of this province.

Tolls are levied on carts at the Fa-koo, Ma-tseen, and Wei-yuen-poo palisade barrier-gates, which, as the annexed paper shows, may vary with the kind of goods they carry. But no local Customs dues are levied on goods in this Consular district. This has been the invariable answer to all my questions on the subject in the past seven years; and the fact has, taken in connection with the compulsory interpretation given to the third paragraph of section 28 of the Treaty of Tien-tsin, from the first opening of this port, constituted a substantial grievance as regards foreign enterprise in the interior. For, while Chinese merchants trade to and fro without payment of any dues, there has been demanded of the foreign merchant a payment of 2½ per cent. on the value of the goods in commutation of local transit dues which have had no existence. For this reason, and also on account of that put forward by various Memorialists to your Excellency, viz., the advisability of enlisting the good wishes of the local fiscal authorities, I trust that, under the revised Treaty, commutation payments at the ports may be abolished and local dues and tolls paid locally. In any case, I trust, in the interests of this port, that there will be no commutation prescribed except where there is something to commute.

Your, &c.

(Signed) THOS. TAYLOR MEADOWS.

Schedule of Tolls leviable on Goods-Carts between the Port of Newchwang on the South and Kwan-ching-tsze and Kirin on the North.

At the Wei-yuen-poo, the Ma-tseen, or the Fa-koo, barrier-gate, carts going northward with treasure, cotton cloths, or sundry tea imports, pay each 4 teaous, and carts carrying salt each 1 teaou.

Carts passing southward from Kwan-ching-tsze, Kirin, or other northern places at such one of the above three gates as they enter by, if carrying tobacco, oil, hemp, indigo, &c., 6 teaous each; if carrying pulse or millet, 2 teaous.

At Pei-lung-keu, a Customs station about seventeen miles south of Kwan-ching-tsze, carts carrying tobacco southward pay each 2 teaous.

A teaou is equal to about 17 Mexican dollar cents. Taking the average value of an average sized winter's cart-load, the toll at a gate amounts to about ½ per cent. *ad valorem* on tobacco, hemp, and indigo; to 1½ per cent. on oil and pulse; to 3 per cent. on millet; and to ½ per cent. on the cheaper kinds of cotton manufactures. On foreign, more valuable in proportion to their weight, the per-centage would be, of course, lower.

No. 70.

Consul Winchester to Lord Stanley.—(Received September 12.)

My Lord, *Shanghae, July 13, 1868.*

I HAVE the honour to forward a copy of my despatch of the 7th instant to his Excellency Her Majesty's Minister, transmitting Mr. Vice-Consul Forrest's Report, with annexed Tabular Returns of civil and criminal cases in the Mixed Court.

I have, &c.

(Signed) CHARLES A. WINCHESTER.

Inclosure 1 in No. 70.

Consul Winchester to Sir R. Alcock.

Sir, *Shanghae, July 7, 1868.*

THE inclosed Report, with annexed Tabular Returns of criminal and civil cases in the Mixed Court, as furnished by Mr. Vice-Consul Forrest, gives an account of the working of that institution subsequent to the date of my despatch of 20th November, 1867.

The argument of the Report itself may be considered to summarize Mr. Forrest's whole experience of its working since he entered on the discharge of the duties of Assessor on the 1st July, 1867, and embodies a résumé of all the defects and merits of the Tribunal, pointing out the difficulties it is hoped may be removed under the enlarged jurisdiction which we are led to hope may at no very distant period be initiated, and those which being inherent in the genius of the people and its Government, are likely to be persistent and to receive their only mitigation from the daily reclamations and objections of the foreign Assessors. Mr. Forrest, too, has not failed to point out what have been all along recognized by thinking persons in this Consular district to be its principal merit, to wit, the speedy and inexpensive decision of the case brought before it. I share his expectations also growing out of the presumed appointment of the Haifêng-Chên to the post of T'ung-Chih. This officer has been long and favourably known to the Consular Body in Shanghae for his efficiency and earnestness in the conduct of business, and for a capacity of dealing intelligently with international cases.

The subject of improvements connected with this institution have been so repeatedly adverted to in my despatches that it is unnecessary to fatigue you with the repetition of views already well-known to you; but even amid the hurry of preparation for my departure, I should not be justified in omitting to bring to your notice the effective and satisfactory manner in which the duties of Assessor and Consul's Deputy have been performed by Mr. Acting Vice-Consul Forrest.

There is very general confidence in the laborious and very conscientious manner in which the cases brought before the Court are discussed and determined by him, and a general recognition that any failure connected with its administration is due to the inherent defects of the system. Under these circumstances I venture to hope that Mr. Forrest's aptitude for the discharge of this important branch of his duty may be brought by you to the notice of Her Majesty's Government, to whom copy of the Report and this despatch will be forwarded by the outgoing mail.

Your, &c.

(Signed) CHARLES A. WINCHESTER.

Inclosure 2 in No. 70.

Memorandum.

SINCE the date of my Report of the 20th November last, 1,055 criminals and 48 civil cases, representing a value of about 25,000*l.*, have been decided before the Mixed Court.

As I before remarked, the working of the criminal jurisdiction of the Court is far from satisfactory. Except for very slight offences no adequate punishment is provided by the existing rules; and the Chinese authorities are very reluctant to have a case removed from the Mixed Court to the native Tribunals for decision. From observations made by Mr. Inspector Penfold, I find that prisoners sent into the Cheh-sien to be flogged are almost invariably let off, either on payment of such sums of money as their friends can afford, or

without any payment if they are obviously poor. The same may be remarked with regard to sentences of imprisonment. If sent to the Magistrates' Yamên, no security exists that prisoners will not at once be released; a fact of great importance now that the Municipal Council decline any longer to meet the charges for native prisoners. The changes proposed in the Mixed Court Regulations, by which the power of the Court to imprison, without reference to the Taoutae, and in the municipal jails, will be increased to a limit of at least three months, will, if carried, have a very good effect in frightening the most dangerous thieves we have, the dishonest employés in foreign houses and godowns, into honesty. For this class of criminals nothing carries with it such terror as public punishment, and that can generally be eluded in the native yamêns on payment of a fine.

It is a matter, however, of congratulation that crime has sensibly diminished in the Settlements during the last half-year. This desirable result is due in a great measure to the talent and untiring energy displayed by Mr. Inspector Penfold, who has made himself so thoroughly acquainted with the habits of native thieves and their haunts, that the arrest of an offender, if he continues in the foreign quarters, has become almost a certainty. Mr. Penfold, by his scrupulous honesty and tact, has won alike the confidence of the native official and trader, and I could cite many gratifying instances where respectable natives have publicly desired to express their thanks to him, and the Municipal Police Force generally, for their successful services in the protection and recovery of property.

This fact, coupled with the belief that the officer appointed for the government of natives in the foreign Settlements cannot be long delayed, has given rise to the hope, in which I join, that ere long the Mixed Court, as far as criminal jurisdiction is concerned, may be so remodelled that most causes of dissatisfaction will be removed. No reasonable foreigner can expect that a complete criminal code, after a foreign model can be established at once in opposition to national customs, prejudices, and I might say laws; but I myself confess that we might have expected a little more co-operation and assistance than has hitherto been the rule from the Chinese authorities, in cases where grave crimes are proven to have been committed by natives against foreigners. Still, from my own observations, I think it is merely a matter of time when the native officers can be guided into a satisfactory line of conduct in their management of mixed jurisdiction here. I will cite two instances in proof of what I have above remarked. A Chinaman was found in the dead of night, standing by the bedside of Mr. Tilby, with a knife in his hand. He had burglariously entered the premises, but whether he intended to add murder Mr. Tilby did not wait to see, but seized the offender and handed him to the police. The case was referred from the Court to the Taoutae by Her Majesty's Consul. The result was a month's imprisonment, which it is impossible to say whether the burglar ultimately got or not. Mr. Tilby could without trouble have killed the man, but preferred the more merciful course; other people will hardly be so lenient in future.

Early in December 1867, the stables of Mr. Bidwell were broken into by persons unknown, and six foreign horses stabbed, causing the deaths of two, and the ruin of the others. This was the second offence of the kind in the same stables within the year. The depositions of two horse-boys were taken at the Mixed Court, and on the 11th December the Council communicated the case to the officials. No provocation on the part of foreigners was alleged or supposed, and yet up to this time no one has been arrested, and Mr. Bidwell remains without compensation of any kind. In this instance a reward was offered by the Chehsien; but as there is no security that such would be paid, it induced no one to come forward. Had the Mixed Court been properly constituted or supported, and inquiries had been made through it, I do not believe this outrage would have passed unpunished. But as now existing, the Court is entirely dependent on the native and municipal police for information and assistance. While the latter is always active and energetic in its very limited working area, the former, which has the means and power to trace and arrest offenders, is too worthless to be either trusted or consulted. Antipathy to foreigners, and indulgence to their countrymen is, and will remain the rule among the underlings at the Yamên; and the thief who told the Weiyuen in the Mixed Court that he stole certain articles because they belonged to a foreigner, excited not only the laughter of the Court, but the sympathy of a numerous audience.

I dismiss the subject of the criminal jurisdiction of the Mixed Court, with the hope that the Chinese in their own interests will extend its punishing powers. It will be useless for them to establish a river or other police, at whatever cost, if some heavy penalty is not attached to such common and organized crimes as cargo-boat thefts, coal stealing, and plundering of ship stores. An adroit body of thieves can steal silk enough from one shipment to support them in idleness for many months; and the trivial penalty attached to their crime, such as short imprisonment, or a fine in commutation of a flogging, will hardly have terror enough to deter them. The same may be said of burglary, which all

the Weiyuens who have sat with me seem to consider rather in the light of a misdemeanour than a serious crime. The fear of foreigners has hitherto been a more efficient protection for foreign hongs than the fear of the Court.

It is, however, my hope that this will be the last time I shall have reason to make complaint, as it is obvious that the Chinese must see not only the justice and advantage, but the actual necessity, of putting strong law into force, in the place of the present weak experiment.

Civil.—With regard to the civil jurisdiction of the Court, I have the same complaints to make as before. I find, under the administration of Chên Fu-shiin, every desire patiently to investigate cases, and to do justice to all parties; but I also find the same fatal want of power that I formerly complained of, to compel obedience to warrants, and to enforce decisions, and consequent reluctance to give such decisions.

To decide is easy—to enforce, difficult (Tuan yeung i, liao nan), was the remark of the Haefang concerning a case the other day; and his observation proves the necessity for the appointment of an officer of ample powers with whom the enforcement will be as easy as the decision for the management of mixed questions. I think the power is all that is wanted, for the question of inclination is one the Assessor can always combat, even where the powerful guilds are concerned.

The report is current that the Tung-Chih is appointed, and will be here in a month. Every one thinks the nominee is Chên; if so, foreigners may congratulate themselves on having a magistrate to whom all our forms of law procedure are well known, and who has been well schooled in the way of holding orderly Courts—a matter of no slight importance. I have already proposed various changes to him, to which he has contingently assented. One is, that all plaints are to be translated, and forwarded, as in the English Court, to defendants, who are to return an answer to them before service of summons within a limited number of days. Another, of great importance, is, the fixing of a fine, or other punishment, to disobedience to the warrants of the Court—a rule to which I have hitherto been unable to obtain official sanction.

I have also consulted the local authorities with regard to the formation of an office connected with the Mixed Court for the registration of all deeds, security-bonds, contracts, and engagements made between British subjects and Chinese. I think the scheme will meet with the cordial support of all parties, and become a great boon to the public. The proposed rules will be prepared forthwith, and forwarded to Her Britannic Majesty's Consul for his consideration and that of his colleagues.

With scarcely any ground to begin upon, great advances have been made in the establishment of rules on which to decide the usual matters of dispute between foreigners and natives. Thus but little trouble is felt where ordinary dealers are concerned, in questions of contract, securities or loans. By-and-by these rules will be so far law as to be the established custom of the port. Perhaps I may be able, after a little longer experience, to analyze the civil dissensions given, in order to prove that really a healthy system is growing up. This is the great reason why I and other people who know him are anxious for the permanent appointment of Chên, as nothing would be more fatal to public interests in the Mixed Courts just now than change of mandarins, in the appointment of one who knows nothing of foreigners. With proper authority, and power to support it, there will be no excuse for either inability or tardiness in the execution of the sentences of the Court.

Perhaps, even now, looking at the amount of work done, and the value represented and generally recovered, the Mixed Court is not so very far behind Courts of Law in other countries. Plaints are entered, tried, and decided, without any expense being incurred by the successful parties, and at only a moderate cost to the losing—a point of no small importance as far as the natives are concerned, for while they are willing enough to pay if they lose, they object to legal expenses if they gain. The very large expense consequent on an action to recover more than 100 dollars in our Supreme Court, the want of machinery to entertain native suits, and the impossibility of recovering more than a fraction of costs, even if allowed by the Court, are sources of constant complaint among the Chinese, and will, I am sure, soon form themselves into an international question. As I am convinced from the way these complaints are constantly brought before me that they are the greatest, if not the only, obstacles to a cordial co-operation on the part of the Chinese officials with the present, or any system of mixed jurisdiction, I am compelled to mention them here. If the jurisdiction of the Consul over his nationals in mixed cases, with a system of procedure and fees identical with that of the mixed Court, in fact an amalgamation of the two Courts, was established, the obstacles above alluded to would be overcome. This is evidently the course stipulated for in the Treaty, and, in my opinion, the only true solution of the difficult question of mixed jurisdiction.

A case in which an expectant Taoutae is concerned proves to me the necessity of very large independent power being given to the Tung-Chih, as otherwise the official class, with whom at present the Mixed Court is not allowed to deal, will be able to defy all legitimate claimants with impunity. The grain Commissioner and Intendent Wu (Saekee), by his agent, chartered a vessel, the "Spray," to carry rice to Tien-tsin. The vessel was chartered in the usual way by a native broker, who signed the contract "for Saekee," and has always asserted that he did so by desire of Wu Taoutae. After a delay of eighteen days the captain of the ship was informed that his vessel was not required, and nothing was given as recompense for the time during which the ship was actually delayed, as chartered, by the Chinese.

The Taoutae was written to, and replied, that Wu knew nothing of the affair. The master, however, declares, that he himself, with Mr. Moller, went some three times to Wu's place of business; the first time giving to his man of business, who has an office there, full particulars of his ship, which were accepted. The second time he was told by the same man, that it was all right; and the third time was told that his ship was not wanted. So that taking the evidence as trustworthy, Wu's servants would undoubtedly appear to have chartered the "Spray."

The broker who signed the contract, and against whom judgment was at once given, was taken into custody: but I see no present chance of sufficient pressure being put on the mandarin to compel him to pay for what I conceive him to be undoubtedly liable, his own contract. There would have been but little difficulty in this case had defendant not been a high mandarin.

I will cite another case, which has given me much trouble, and which is about to be referred to the Taoutae. Ching-lung, a native firm, chartered the British ship "Alcyine;" they put a supercargo on board, through whom everything was conducted; and nearly all the shipping orders are stamped "Ching-lung." The same hong had previously chartered the same vessel for the same work, and put the same supercargo on board. The voyage in the present instance was not prosperous, and Afoh, the supercargo, was compelled to borrow money on behalf of the charterers at Taiwan, and other places, which money was advanced to him as agent for Ching-lung by various foreigners on security of cargo, &c., and the captain signing the receipt. He signed vouchers for these supplies for Ching-lung, and induced the master to countersign them. On arrival at Shanghae, the cargo which had been hypothecated, was sold, but 1,800 dollars appeared still to be due on Afoh's receipts. Negotiations were scarcely commenced with the hong when Afoh went to the American Consulate, and made a declaration that he was about to be spirited away, in order that he might not give evidence against Ching-lung. He was actually spirited away. An action was carried to the Court; and although duly summoned, no one appeared for Ching-lung, except a very impertinent man, Lin-alui, who never, although rebuked, spoke of foreigners in Court but as devils. He told the Court that the master of Ching-lung was away at Soo-chow, and would not come back for some time. Judgment was given by the Hai-fang for one-half of the claim to be presently paid, as the liability of the Ching-lung hong for the act of their agent was beyond a doubt, with the understanding that, when the master of Ching-lung appeared, the case should be re-opened. Many weeks passed without any one appearing, although the hong still carried on business: at length the Ching-lung hong sent the Haifang 400 dollars, and promised to give another 100 dollars to settle the affair. I declined, but Chên tells me that the Fohkien merchants having petitioned that the Ching-lung hong had suffered much wrong in the matter, he cannot agree with me in declining to settle. In vain I ask what the Fohkien merchants have to do with it, and tell him that if Ching-lung hong have any defence to make, to come and make it in Court. This case will, without doubt, be soon settled by the Consul and Taoutae.

I cite these cases, merely to show the want of power, hardly of inclination, which the Mandarin has hitherto to contend with; and this power must be freely given to him if the system is to live.

The Tables annexed, showing 1,055 criminal cases and 48 civil cases, representing 25,000*l.*, will prove to any one the very grave importance of the Tribunal, and should convince the Central Chinese Government of the necessity of freely giving sufficient powers to the officer they select to sit on it.

I should say that without exaggeration, ten times more cases come before the Mixed Court in the course of a year than before our Supreme Court in all its branches, and this excepting always a good many purely Chinese cases in which neither British subjects nor the Municipal Police are concerned, and of which the foreign assessor knows nothing; and it will furthermore be but poor policy not to provide ample funds for the support of the Court. If the native officers are compelled to resort to the well-known and usual ways of filling their purses, they will be at once detected, and so much trouble will be the result.

that ultimately the authorities will be compelled in self-defence, to give what now would appear to be a graceful and voluntary contribution to the establishment of law and order in Shanghae, and an earnest to the foreign world that China is really advancing in the right road.

(Signed) R. J. FORREST.

Inclosure 3 in No. 70.

CALENDAR of Proceedings in Criminal Cases before the Mixed Court, from November 1, 1867 to June 30, 1868.

Sittings of Court, daily, Sundays excepted.

WU YU YEN, *Magistrate.*
R. J. FORREST, Esq., Her Britannic Majesty's Vice-Consul, } *Assessors.*
DR. JENKINS, Interpreter, United States' Consulate, }

Offences as charged.	Number of Prisoners brought before Mixed Court.				Sentence of 764 Offenders convicted by Mixed Court.					
	Arrested.	Acquitted.	Convicted by Mixed Court.	Committed to Chief Magistrate.	Warned.	Flogged.	Cangued.	Imprisonment or Hard Labour.	Fined.	Deported.
Murder, cutting and wounding, piracy, gang robbery, &c.	5	1	..	4	..	..	..	..	..	..
Burglary, robbery	20	..	15	5	..	8	2	4	..	1
Rape, abduction, seduction, &c. ..	1	..	..	1	..	..	..	..	..	..
Assault, assault and robbery, broils, false imprisonment	350	80	233	37	35	62	3	28	104	1
Petty theft	565	92	428	45	18	115	11	249	27	8
Municipal offences	75	10	65	..	17	..	1	8	39	..
Extortion, perjury, forgery, and swindling, &c.	21	3	8	10	1	3	..	2	..	..
Receiving stolen property, miscellaneous	18	2	15	1	2	1	..	2	10	..
Total	1,05	188	764	103	73	189	17	293	182	10

(Signed) R. J. FORREST.

Inclosure 4 in No. 70.

RETURN of Civil Cases heard at the Mixed Court, from November 1, 1867, to June 30, 1868.

Nature of Suit.	Total.		For Plaintiff.		For Defendant.		Referred.		Withdrawn.		Unsettled.	
	No. of Cases.	Amount.	No. of Cases.	Amount.	No. of Cases.	Amount.	No. of Cases.	Amount.	No. of Cases.	Amount.	No. of Cases.	Amount.
		Taels.		Taels.		Taels.		Taels.		Taels.		Taels.
Breach of contract ..	18	76,580	4	19,840	1	2,000	1	5,240	12	49,500	..	..
Bill of exchange and promissory note . ..	9	6,383	6	2,493	2	2,490	..	..	..	..	1	1,200
Balance of account ..	8	1,578	7	1,378	..	..	1	200	..	..	..	..
Claim under guarantee bond	1	778	1	438	..	..	..	..	..	..	..	..
Claim for interest ..	1	300	1	300	..	..	..	..	..	..	..	..
Damage loss	3	692	2	644	..	..	..	..	1	48	..	..
Goods supplied . ..	1	350	1	350	..	..	..	..	..	..	..	..
Money advanced ..	3	900	1	216	1	350	..	..	1	50	..	..
Rent	3	1,480	2	80	..	..		..	1	1,400	..	..
Wages	1	12	..	..	1	12	..	..	..	..	..	..
Total	48	89,053	25	25,739	5	4,852	2	5,440	15	50,998	1	1,200

(Signed) R. J. FORREST.

No. 71.

Consul Caine to Mr. Hammond.—(*Received September* 21.)

Sir, *Hankow, July* 21, 1868.

I HAVE the honour to transmit the reply from the Secretary to the Hankow General Chamber of Commerce, to the queries from Sir Rutherford Alcock, relative to residence in the interior, &c.

I have, &c.
(Signed) G. W. CAINE.

Inclosure 1 in No. 71.

The Secretary to the Hankow General Chamber of Commerce to Consul Caine.

Sir, *Hankow, July* 20, 1868.

IN reply to your despatch dated the 11th April last, I have the honour to inform you that the Chamber has made full inquiries on the various questions referred to, and I now beg to wait upon you with the result of the same.

1. The situation of the chief markets for goods and produce.
2. The means of access to them by water, whether rivers or canals.
3. Their distance from this port.

Siang Tam, in the province of Oonan, distant about 900 li, situated on a small river on the west side of the Tung-ting Lake, is the market to which fully one half of the foreign manufactures and other goods from Hankow are sent. The access thereto is by the Yang-tsze to Yohchow, thence across the lake and the Siang River.

I inclose a Memorandum in Chinese (marked A) of the names of several minor though important emporiums of trade, about which information can only be obtained from native sources, and that the Chamber does not consider sufficiently reliable to place before you.

A special commission to survey the districts mentioned is, in the opinion of the Chamber, the only way that a satisfactory investigation can be made.

4. The districts inland within which a right of residence of a conditional kind might be conceded with advantage to the trade of this port.

To reply to this involves much difficulty with the present most limited knowledge at the command of foreign merchants. The Chamber considers it highly desirable that free access should be allowed to all the tea and mining districts in the provinces of Oopeh and and Oonam, the right to reside in the tea districts having been long enjoyed by Russian subjects and much benefit has resulted therefrom.

5. What barriers or Customs Stations for the levy of transit dues upon the system at present existing, lie upon any of the routes between the markets and districts in question and Hankow?

The barriers between this port and the principal markets are detailed in inclosed Memorandum (marked B).

The Chamber would suggest, for your consideration the desirability of the extension of the present system of transit passes granted to foreigners, under which all dues can be paid in full in Hankow. These numerous barriers would then be unnecessary, and foreign trade would be greatly benefited thereby, without any detriment to the Imperial Revenue.

I am, &c.
(Signed) JOHN A. HANDY.

Inclosure 2 in No. 71.

(A.)—PRINCIPAL Trading Marts in the Interior.

(Translation.)

Name of District.	Distant from Hankow.	Province.	Stated by Chinese to be	Remarks in Chinese Paper, but not in English original.
	Li.			
Hsin-tee	360	Hoopeh	On the river.	
Yoh-chen	450	Hoonan	Ditto.	
Chang-sha	810	.. .. ..	Ditto	To east of Lake [Tong-ting.]
Chang-teh [foo] ..	1,260	.. .. ..	West of lake.	
Siang-tan [hsien] ..	900	.. .. ..	East of lake.	
Tsin-shï-chên . ..	1,350	.. .. ..	West of lake.	
Fan-chêng [chên] ..	1,240	Hoopeh	North of lake ..	On the Han.
Siang-yang [foo] ..	..	.. .. ..	Ditto	Ditto.
Kin-chên [foo]* ..	1,080	.. .. ..	.. .. ..	On the Chinese paper is put down as distant only 630 li.*
Sha-sz [chên] ..	..	.. .. ..	.. .. ..	Can be approached either by the Yang-tsze direct or by the Han.
Tsung-king	..	Sz-chuën.		
Pooh-urh	..	Yün-nan	.. .. ..	N.B.—This one is not mentioned on the Chinese paper.

* Is approached by going up Yang-tsze, and turning into tributary at Tung-kê-lao.

Inclosure 3 in No. 71.

(B.)—BARRIERS where Transit Dues are Collected from Chinese on all Goods passing into the Interior.

(Translation.)

Province.	District.	Dues collected on.
*Hoopeh**	Seou-ling-ka	All goods.
Hoonan	Yo-chow-kwan†	Ditto.
Hoopeh	Sin-Yee	Poles.
	Tow-kow { From Yang-low-tung / Yang-low-su / Hip-ka-su } ..	Tea.
Hoopeh	Low-che-kow { Tsung-yang / Pên-yu-chow }	Ditto.

The names in *italic* were not in the Chinese paper attached; but are in the English original.
† *Sic.* Ought to be "kia," according to Chinese paper.

No. 72.

Acting Consul Jamieson to Lord Stanley.—(*Received September* 28.)

My Lord, *Taiwan, June* 30, 1868.

UNDER instructions from Sir R. Alcock, I have the honour to forward copies of my despatches of the 12th and 26th ultimo to the Legation, Peking, on the subject of increased facilities for internal communication in China.

I have, &c.
(Signed) G. JAMIESON.

Inclosure 1 in No. 72.

Acting Consul Jamieson to Sir R. Alcock.

Sir, *Taiwan, May* 12, 1868.

I HAVE the honour to inclose a copy of a letter I have received from the two principal merchants at this port on the subject of your circular of the 21st March.

The chief producing regions, and the chief markets for foreign goods in this island, lie in the plains along the coast, beginning at Tung-Cheong, a small port about twenty miles to the east of Takao, and extending along the southern and western coasts. No internal communication by means of canals or rivers exists, consequently, almost the whole of the trade is carried on in sea-going junks. The great desideratum, therefore, is to obtain permission either to run small schooners, on which an insurance could be effected, between these various ports, to collect cargoes, to be finally exported from Takao or Taiwan-foo, or, better still, to allow cargoes to be exported direct to the ports on the mainland. A conditional right of residence at all, or a certain number of these places, would be considered of great importance. I have been unable to obtain the names of the best ports, but trust to be able to forward them at an early date.

I am, &c.
(Signed) G. JAMIESON.

Inclosure 2 in No. 72.

Messrs. Ellis and Co. and Messrs. Tait and Co. to Acting Consul Jamieson.

Sir, *Takao, Formosa, May* 11, 1868.

REFERRING to your circular of 8th current, and circular No. 4, dated Peking, 21st March, 1868, we beg to inform you that great advantages to trade would be gained if small vessels were allowed to proceed to the numerous towns along the west coast of this island, and there load their cargoes; at present all produce purchased at any of the small ports along the coast has to be brought to Takao or Taiwan-foo for shipment; this incurs very heavy expenses, and as insurance cannot be effected on Chinese junks, foreign merchants are unable to purchase the produce of these places. The trade is at present carried on entirely by Chinese in native bottoms. The whole of the coast from Taiwan-foo to Tenkcham offers good facilities for trade, being large rice and sugar producing districts, which are at present but indifferently cultivated, owing to the producers finding great difficulties in disposing of their various staples.

We are, &c.
Pro Ellis and Co.,
(Signed) W. H. TAYLOR.
Pro Tait and Co.,
JOHN C. MARSON.

Inclosure 3 in No. 72.

Acting Consul Jamieson to Sir R. Alcock.

Sir, *Taiwan, May* 26, 1868.

REFERRING to my despatch of the 12th instant, I have now the honour to inclose a list of ports on the south and west coasts of this island. They are arranged in order, beginning from the south.

Your, &c.
(Signed) G. JAMIESON.

Inclosure 4 in No. 72.

List of Small Ports on the West Coast of the Island of Formosa.

Tau Liao.	Mit Liao-chiang.
Tung-chiang.	Wu-cha-chiang.
Yeu-seu-chiang.	Lu-chiang.
Hsia-hu-chiang.	Hou-lung-chiang.
Pęu-chiang.	Hsiang-shao-chiang.

(Signed) G. JAMIESON, *Acting Consul.*

Taiwan, June 30, 1868.

No. 73.

Vice-Consul Holt to Mr. Hammond.—(Received December 7.)

Sir, *Tamsuy, October 5,* 1868.

IN accordance with the instructions of his Excellency Sir Rutherford Alcock, I have the honour to hand you a copy of my reply to his Circular despatch of 1868, relative to the importance of increased privileges in the navigation of the inland waters, and calling upon me to afford him every information on the subject.

I have, &c.

(Signed) HENRY F. HOLT.

Inclosure in No. 73.

Vice-Consul Holt to Sir R. Alcock.

Sir, *Tamsuy, August* 11, 1868.

I HAVE now the honour to reply to your Excellency's Circular despatch with reference to the importance of the increased privileges in the navigation of the inland waters for the transport of goods to the places of consumption and Chinese produce from the places of origin, instructing me to obtain the best information as to the possible extension of the chief markets for either, and the means of access to them by water, whether rivers or canals, their distance from the Treaty port, and the districts within which a right of residence of a conditional kind might be advantageously conceded.

In my despatch to your Excellency of the 6th May, with reference to the camphor monopoly, I observed that matters had assumed much the same aspect they wore some years ago, with the exception that our merchants are now confined to Tamsuy instead of being permitted to visit the minor seaboard towns, and that I proposed submitting a despatch on the subject to your Excellency.

After every research and inquiry, I am enabled to offer the following observations:—

In the month of October 1863 the Custom-house was first established here. At that time the Customs Department of Formosa fell within the jurisdiction of the Commissioner at Foo-chow, and the Baron de Meritens successively appointed Messrs. Maxwell and Howell to take charge of this port.

During the period of office of these gentlemen the coast ports of the Tamsuy district were open to foreign trade, and the steamers and other vessels of Messrs. Jardine, Matheson, and Co., and Dent and Co., the only firms then established here, were in the habit of visiting them and trading there. As a security against smuggling, each of these firms was guaranteed to the amount of 6,000 taels.

This system prevailed until June 1865, when Mr. Hart, the Inspector-General, confined foreign trade to the port of Hoowei, and thus struck a severe blow at a commerce which was then rapidly expanding.

Now, I would respectfully point out to your Excellency that Hoowei does not constitute Tamsuy. Hoowei is merely the mouth of the river which leads to Bánca, the chief town of the Tamsuy district, and I hold that the regulation which obtained prior to June 1865, that vessels could visit the other seaboard towns of the Tamsuy district under guarantee, was the right one.

The chief magistrate of the very district which is open to us to trade resides at Teukcham, which port, or rather roadstead, our merchants are now debarred from visiting.

Reverting to the subject of the despatch under acknowledgment, I beg to observe that since its receipt I have traversed in a small boat every stream which affords water communication with Tamsuy, and can assure your Excellency that inland navigation is impossible. In one stream alone I counted no less than forty-nine rapids; and during the greater part of the year no boat drawing over 4 or 5 inches of water could pass.

If your Excellency will consult the map which accompanies this despatch you will observe that but a comparatively narrow strip of the seaboard of the island is in the hands of the Chinese, all that part coloured red being savage territory. As I have before explained, there is a class of border men or middle men who traffic between the savages and the Chinese, and the real produce of the island is collected in the seaboard towns, as the map clearly shows.

It has been necessary for me to write at this length in order to prove that while inland navigation is impossible, yet that the spirit of your Excellency's Circular despatch

may be carried out by reverting to the old system; or, if that be inadmissible in so far modifying it that cargo boats belonging to guaranteed firms and flying the flags of their respective hongs, may be permitted to visit the various ports shown in the accompanying map, taking goods and bringing back produce to the central stations of Hoowei for the west coast, and Kelung for the east.

Barrier stations have never hitherto been established in the island, so that there will be no difficulty under that head.

Finally, I would observe that, were either the old system revived or the modification proposed by me carried out, I have no doubt that but a great impetus would be given to foreign trade. It appears to me to be but fair that being so exceptionally situated—two ports of an island of which three-fourths are in the hands of savages—possessing only a narrow seaboard suitable for trade, and in which island navigation is totally impossible, that in lieu of foreign cargo-boats traversing the rivers as at the ports on the mainland, they should be specially privileged here to do a coasting trade under certain regulations.

I have, &c.

(Signed) HENRY F. HOLT.

No. 74.

Sir R. Alcock to Lord Stanley.—(*Received January* 10, 1869.)

My Lord, *Peking, November* 10, 1868.

I REGRET to say I am still unable to make any final report of the result of the prolonged negotiations with the foreign Board here, on the revision of the Treaty. In the meantime, looking to the possibility of the Chinese Mission having proceeded to the Northern Powers before proceeding to London, and its consequent non-arrival until the beginning of January, I think it desirable to place your Lordship in possession of the latest information, showing the actual position of affairs.

I had an interview yesterday at the Yamên with the Prince of Kung and all the other Ministers except Wên-tajin, who, either by design or accident, was absent. I am inclined to attribute his absence to the former cause. They were aware my object was to urge upon the Yamên the necessity of completing the work we were engaged in by making the further concessions insisted upon in my last written communication. Steam tug-boats on the Poyang Lake to facilitate trade with the tea districts; right of renting houses or stores at the great centres of trade in the interior; right of working coal mines in the vicinity of one or more of the foreign ports. Not prepared to grant, yet hesitating to put an end to negotiations by refusing positively, Wên's absence might afford a plausible reason for giving no decisive answer, and keeping the negotiations open without committing the Board. Be this as it may, such was the result of the Conference.

The newly-arrived American Minister accompanied me by previous agreement. Being satisfied, as my despatch of the 12th ultimo informed your Lordship, that Mr. Burlingame's action in the United States, in framing the Additional Articles was a main cause of delay, by giving rise to hopes that other Treaty Powers might be induced to endorse the unqualified admission of the right of China to resist all pressure from without as to material improvements or progress embodied in the IInd Article, I deemed it important to show them, by the evidence of the United States' Minister himself, that such was not even the interpretation put upon the Additional Articles by the Government and people of the United States when they were signed. The contemplated Conference on the subject of a revision of our Treaty, and more especially on the necessity for certain progressive steps being taken in connection with it, afforded the best opportunity of counteracting the adverse influence of Mr. Burlingame's acts, and throwing the weight of the new Minister's opinion into the balance.

Mr. Ross Browne's views so entirely coincided with those I had put forward on the three points under discussion, and on the necessity of progress being insisted upon in the common interest, that I gladly accepted his offer of cordial co-operation.

The inclosed letter to the Prince of Kung, recapitulating the main points discussed, and the opinions exchanged during the interview, with its inclosure, will suffice to put your Lordship in full possession of the progress made up to this date, and the difficulties still in the path. Unless these can be surmounted, and the concessions sought be obtained, no revision that may be entered upon can be either effective or satisfactory. With the three additional points secured, I believe the way will be opened for progess and material improvements in every direction. Their importance in the advancement of

our interests may not unfairly be gauged by the tenacity of the resistance offered. Indeed the whole stress of battle has long been concentrated on each of these positions. They are the keys by which it is proposed to open the whole Empire to foreign trade. And so well do the Chinese Ministers understand their value and importance, that I am satisfied they will only yield them contrary to the advice of Tsêng Kwo-fan, and others of his class, as a last resort to avert a menace of war and its reality. Whatever may be the willingness of the Viceroy of Nanking and his class to risk once more the chances of a conflict with Great Britain, I do not believe the rulers here will knowingly accept them. I think it is quite possible Tsêng Kwo-fan himself may feel himself much less confident at the present moment, after feeling the pressure of a British squadron off Nanking, and the necessity, under compulson, of doing justice after having ventured lightly to refuse it. Some display of vigour, and the power to assert our rights in an effective manner was a necessity of the situation at Chin-keang and Yang-chow. But I am not sorry it has so happened at this particular conjuncture. If, as I assume to be certain, Mr. Medhurst, efficiently backed this time by the naval forces, should succeed in carrying out his instructions, the beneficial influence will be felt far beyond the localities where redress is to be exacted. Peking will not be unmoved by evidence of unmistakeable character, showing both the power and the will to make our Treaty rights respected. Nor will Viceroys and lesser provincial authorities feel quite so certain of their safety in open violation of every Treaty stipulation.

Either such results must be secured or trade will become impossible, and every foreigner will be more or less gradually hustled out of the Chinese Empire, or at least penned up within the narrow limits of the ports. It was not for this end the last two wars and the Treaty of Tien-tsin were entered into; and what we could not accept in 1858 is still less admissible now. Strong in this conviction, while carefully avoiding any appearance of menace in my communications, I have not hesitated in my last interview, and in the inclosed letter to the Prince, recapitulating all that passed, and giving a *résumé* of the situation in which we relatively stand, to indicate distinctly the impossibility of Her Majesty's Government resigning itself to what, in effect, would tend to the nullification of a Treaty purchased by two very costly wars.

I trust in this course to have the approval of Her Majesty's Government. There was, as I think your Lordship will perceive, scarcely any alternative between weakly yielding to a persistent policy of negation ruinous to our commerce, or firmly and unhesitatingly asserting our Treaty rights, which derive their chief value as a protection to our merchants and their trade. Many inducements were held out to me to be content with less, and accept a number of small concessions, together with two very important ones—a system of collecting transit dues calculated to remove many, if not all, the existing abuses; and the adoption of a written code of civil and criminal law with a fixed mode of procedure and administration in Mixed Courts. But the conviction was too strong in my mind, based upon a long experience of the Chinese and their habits, that however plausible and specious the advantages of such a scheme of revision, it would on trial, break down, and prove quite as ineffective as past stipulations and efforts to give them execution. And I would rather accept the appearance of a present failure to carry all I deem, and firmly believe, to be essential, than perpetuate causes of failure for the future, which have done so much in the past to invalidate or nullify all Treaties with China.

As to the ulterior result of my efforts to obtain the three further concessions, without which I have plainly stated I cannot recommend any scheme of revision to Her Majesty's Government as satisfactory, and my prospects of success it is impossible at this moment to speak with any certainty, I think it possible, in consequence of what passed yesterday, that the Yamên may give way. I am sure they will hesitate, and be very unwilling under any pressure from the anti-foreign and anti-progressive party to give a decided negative. The Prince proposed before I took leave that another Conference should take place at the Legation to consider the remaining points before any final resolution. To which of course I readily assented, and the more readily, that the interview was curtailed by the sudden illness of one of the Board. If I might venture to put in words my present feeling, it is that the Prince and Wên, and the Yamên generally, perhaps, will be chiefly guided in the course they follow by their convictions as to the probability of Her Majesty's Government adopting the views of their Minister, and being willing in the event of his failure to obtain their acceptance here, to take all the risks and responsibility of resorting to coercive means, and, if need be, actual war to enforce compliance.

As I cannot, of course, answer for this, and am not at liberty to reduce Her Majesty's Government to the necessity of such an alternative, whatever my own convictions may be as to the best policy in the circumstances, all will depend upon the conclusions they may

be led to draw from the position I have taken, and the firm front they see. If they conclude this accurately represents the mind and policy of the British Government they will yield; if otherwise, they will, as is much their habit, take the benefit of the doubt, trusting to time and the chapter of accidents to retrieve their position at the last moment if unfortunately they should have been mistaken.

I have, &c.
(Signed) RUTHERFORD ALCOCK.

Inclosure 1 in No. 74.

Sir R. Alcock to the Prince of Kung.

Sir, *Peking, November* 9, 1868.

AS arranged in our interview this afternoon, I have the honour to forward the Chinese text of the communication which I made verbally to your Imperial Highness and the Ministers of the Yamên.

The object for which I sought a personal interview is so important, and the interests dependent on the decision that may ultimately be taken in reference to the measures proposed are of such magnitude, that I deemed it essential the exact tenor of the observations and statements exchanged to-day on both sides should be on record. It will farther serve to prevent any uncertainty or misapprehension, by giving your Imperial Highness an opportunity of correcting any erroneous impression I may have carried away from what passed in conversation.

Mr. Adkins, acting as interpreter, gave, as closely as possible, the purport of the inclosed Memorandum; and various observations were made upon the several subjects referred to in the seventeen paragraphs, both during the interpretation and subsequently, by your Imperial Highness and other members of the Board.

As I understood these, the general purport was to the following effect:—The Yamên expressed a desire for progress, in so far as it might be, in their opinion, practicable and safe, keeping in view the present state of the country, but they claimed to be the sole judges, both as to the measures to be adopted, the mode of execution, and the time for their introduction. It was contended that there were serious difficulties to be encountered in the path of progress, and of any measures involving change from old established customs and principles, and nothing sudden could be ventured upon. China had national interests at stake, which must be fully considered before any innovations could be made; and foreign Powers must see the necessity of this, and consent to wait until the time should arrive when the way could be more clearly seen to a good end. The object of the Chinese Mission was to represent these things to the Treaty Powers; and, as for any Articles of a Treaty the Envoy may have signed, they had not yet received the Chinese text, but, as Plenipotentiary, he had no authority to bind the Chinese Government by anything he might do without the ratification of the Emperor.

In answer to this, I observed that such was the well-understood rule in all the relations of foreign Powers. No Minister could bind his Government by any act not subsequently ratified by his Government. But as to the necessity for waiting indefinitely until the Chinese Government saw their way more clearly, I called attention to the fact that it was fast approaching ten years since the Treaty of Tien-tsin was signed; that during the whole of this period there had been a manifest want of execution in many of the most important clauses; and Her Majesty's Government thought the time had arrived for removing the causes of this all but total failure, and more especially the obstructions created by the provincial officials, and fatal to the development of commerce in the interior, for which object, mainly, the Treaty was entered into by Great Britain. These obstructions could not be removed without greater facilities for inland navigation and residence than had heretofore been allowed; and the effective working of coal mines, under foreign supervision, with all the aids and appliances of European science. Hence my insistance on these points. For if the Chinese Government claimed the right to take their own way, and choose their own time, as to any correction of abuses, progress, or material improvements, foreign Powers had a still more undoubted right to insist upon the faithful execution of Treaties without any delay whatever, and that from the first day: and the time had now arrived, in my opinion, when no more delay ought to be suffered to take place.

Your Imperial Highness, I think, interposed to say it was no part of the obligations of Treaties for the Chinese Government to take any one of the three steps I had urged; to which I replied that these particular measures were certainly not specified in any of

the Treaties; but in all it was expressly stipulated that trade should be allowed in the interior exempt from obstructions from the authorities and illegal exactions. It was enough, therefore, to show, by the experience of the last eight years, that there had been a failure of execution in these particulars, and that nothing short of the measures indicated could lead to any better result, to give a right to any foreign Power, seriously damaged in its commercial interests, to insist upon their adoption, not because they were enumerated in the Treaties, but as the essential conditions of the more faithful observance of Treaty rights and stipulations. The right to trade in the interior, like all other rights, carries with it whatever may be necessary to its fair and full enjoyment. The first of these necessary conditions is ready access to the interior; the second freedom from vexatious interference and taxation contrary to Treaty; and the third, such accommodation for persons and goods as may render trade in any large sense possible: to deny these was to nullify the Treaty, and defeat its most important object.

In improvements and progress, so far as these were in the interest of China alone, the Emperor might claim an exclusive voice: but, in measures needful to the execution of Treaties, China no longer stood alone, and must of necessity stop them if disposed to act in good faith and avert reclamations for redress from foreign Powers.

The American Minister, having been presented at this Conference, took part also in the discussion, and will, no doubt, himself place on record the observations he offered for the consideration of the Yamên. I will merely recall to your Imperial Highness' memory one or two leading points as bearing more especially on the proceeding. Having been appealed to on the subject of the Chinese Mission, and the declarations made by Mr. Burlingame, as the chief when in the United States, he bore distinct testimony to the general accuracy of the statement contained in the fourteenth paragraph; and further added that great disappointment would be felt by the Government and people of the United States if nothing decidedly progressive were to result from negotiations on the approaching revision of the British Treaty. He reminded your Imperial Highness that some 60,000 Chinese subjects were residing in California, with full liberty to work and to trade wherever they pleased, whether in mines or in towns, and that they had all the privileges the most favoured-nation clause could give, and equality of rights and treatment demanded reciprocity in China.

Your Imperial Highness remarked, in reply, that those Chinese were, no doubt, subject to American laws and jurisdiction, and if American citizens were equally subject in China to Chinese laws, they might have all the privileges of Chinese subjects also.

The American Minister observed, in answer, that the difficulty here lay in the fact that there was no code of laws in China which could be accepted by Western States; but, as soon as a written code should be in existence, based on the same general principles as those constituting the law, with minor modifications of all the Western world, the difficulty would cease. In the meantime the right to travel, to trade, and to reside, as a consequence of the former, existed by Treaties, though under different conditions in the two countries, and could not be refused.

Some farther observations followed on my part, but as these were interrupted and left incomplete from the sudden indisposition of one of the Ministers, I beg leave to state here in a more complete and connected form, the remarks with which I intended to conclude.

Your Imperial Highness had remarked that careful consideration was needful, for of many demands made, some were disadvantageous to Chinese interests, and could not on that account be accepted; others were beneficial to foreigners without being injurious to China, and these had been assented to; while others, again, would be a benefit to neither if acceded to, and for that reason ought not be granted.

I wished, in answer to this general argument, to bring before your Imperial Highness the strong reasons that existed for concluding that in matters of commerce the interests of China and foreign nations were identical, and what was really beneficial to the one could not be injurious to the other. Moreover, that Great Britain had not only a preponderating interest in asking nothing which could inflict injury upon China, but had by deed during the last eight years, better than by words, shown unmistakeably the earnest desire of Her Majesty's Government to uphold the present rulers of China and preserve that nation from falling into anarchy. Nearly all the Treaty ports had at one time or other either been saved from falling into the hands of insurgents or recovered from them chiefly by the aid of British forces. That if it be said in doing so and freely spending blood and treasure in the work, we were really at the same time best protecting our own interests, or rather the interests of trade in general, it may be quite true, but the argument only goes to prove the truth of my previous statement, that British and Chinese interests where trade is concerned, are mutually inter-dependent and to a great

degree identical. What permanently injures the one is a no less certain injury to the other. The British nation would, therefore, in their own interest, be the last to claim of the Chinese Government concessions calculated to inflict injury on the native population and trade, or even to weaken the power of the present Government to maintain order and peace throughout the Empire. It would be enough to show that either of their results must inevitably follow the measures now proposed, to deter the British Government from insisting upon their adoption. On the other hand, if this has not and cannot be shown, while it is easy to demonstrate that without increased facilities of transport into the interior, and for the storage of goods, than has hitherto been conceded, no extension of foreign trade into the interior is practicable, and without effective measures for the removal of obstructions and exactions persistently insisted upon by the provincial and local authorities, no free development of that trade is possible, as the experience of the last eight years has shown,—what can the refusal to adopt such measures be held to indicate but a determination to persevere in a course which amounts to a nullification of the Treaty in its most important object, which object, it cannot be too often repeated, was the protection and extension of trade throughout the Empire. No Foreign Power with large interests at stake can be expected to submit patiently or indefinitely to so flagrant a wrong, in violation of a Treaty which was the last result of a costly war. If a nation incur all the expense, in life and money, of a great war, 14,000 miles from their own coasts, to defend their interests and protect their commerce, it is impossible to suppose it will see that object entirely defeated by failure of execution in the Treaty stipulations which were the price of peace. If, as your Imperial Highness would seem to contend, the Treaty of Tien-tsin does not stipulate for such measures as these now proposed seeing that no trade in the interior can prosper without them, all that can be said in reply is, that, were this to be admitted by Her Majesty's Government, it would only afford an additional reason for claiming such a revision as would supply the deficiency,

But I still hope your Imperial Highness and the Ministers of the Yamên collectively will see that the time has arrived for removing all just causes of complaint, and placing the trading relations of British subjects in the interior on the footing of security and immunity from illegal taxation and obstructions, without which the Treaty itself becomes a dead letter. This day eight years ago Lord Elgin and the army that accompanied him left the gates of Peking after having secured the ratification of the Treaty of Tien-tsin, and, in negotiation with your Imperial Highness, a further Convention that in the terms of your Proclamation then issued, "Hereafter weapons of war may for ever be laid aside, and all should join together in the work of promoting peace." In that work of peace, and by peaceable means alone, we are now engaged in such revision as may tend to remove abuses and restrictions on trade clearly contrary to the spirit of the Treaty thus ratified and confirmed at Peking; and I will not allow myself to think that there can be any ultimate failure, whatever difficulties may have been experienced hitherto in coming to a mutual understanding on the important subjects under discussion.

I avail, &c.

(Signed) RUTHERFORD ALCOCK.

Inclosure 2 in No. 74.

Heads of a Communication made to the Yamên on the 9th November, 1868.

THE British Minister has asked for this interview to assure himself that the Prince and Ministers of the Foreign Board clearly comprehended the present position of affairs as regards the proposed measures for the better execution of the Treaty, and the approaching period for a revision.

1. All the measures hitherto proposed by the British Minister have been measures essential to correct well-ascertained abuses and insure the execution to existing Treaties.

2. These measures, if not according to the letter, are entirely in the spirit of the Treaties; and if refused, it will impose upon Her Majesty's Government the necessity of determining without delay what further steps may be fitting to assert their indisputable right to a full and perfect execution of all the Treaty stipulations. For ten years past there has been a total failure in respect to many essential articles. Whether singly, or in concert with other Treaty Powers, all of which have the same grounds for action, the Yamên may rest assured action will be taken. Her Majesty's Government will not accept such a decision as a final solution of the questions now under discussion, or submit to a continuance of wrong from the persistent failure of execution of the Treaty for so many years.

3. It was to avert this necessity, and to conciliate all interests, that the British Minister suggested a Mixed Commission, to investigate and discuss the proper steps to be taken. To give effect to these deliberations, he has subsequently entered into direct negotiations with the Yamên, hoping to convince them that he had demanded nothing which could be rightly refused—nothing that was not both reasonable and practicable as well as consistent with the best interests of China.

4. So far it appears he has but partially succceded, and he has determined, therefore, on this last effort, face to face, to demonstrate the necessity as well as the advantage of concession, and the danger of breaking off all further negotiations with an unsatisfactory result.

5. On many questions, and some very important ones, they have happily come to an agreement. Measures have been devised to remedy the great abuses in the levy of transit and other dues upon foreign trade; and the Yamên have equally agreed to take steps for the formation of a code of written laws, preparatory to the establishment of Mixed Courts for the trial of all cases between foreigners and natives.

6. These measures are calculated to effect two great objects—the removal of grievous injuries continually inflicted on foreign trade, and the subject of complaint and demands for redress which are a constant source of danger to the Government that permits them; and justice to foreigners and Chinese alike when they are at variance, thus preparing a way for the modification of exterritorial rights and freer intercourse in the interior on equal terms.

7. But in order to give these measures full effect, or to carry them out in any completeness and good faith, certain other conditions are essential. The foreign merchant must be able to follow his goods, carry them if he will in his own boats, and hire depôts for their safe storage wherever great trading centres make it desirable. Hence, the British Minister proposed facilities for inland navigation, and the right of renting houses or godowns in the interior, under such rules and restrictions as might be found expedient.

8. The Yamên have so far admitted the necessity for these facilities, that they consent to the merchants using their own boats if propelled by oars or sails, and their residing temporarily in the inns; but they refuse any right to rent houses or depôts, and will not consent to a few steam-tugs navigating the Poyang Lake exclusively, to facilitate the foreign trade with the tea districts.

9. The British Minister has now to state, distinctly, that without both these points be conceded, nothing effective will have been done to carry out the Treaty in its integrity, or attain its principal object, which was to enable foreign merchants to carry their trade into the interior, free from illegal imposts or vexatious obstructions and delays. To relieve them of these and other impediments due to the bad faith and corruption of the provincial officers at the various stations is not possible, if such facilities are refused.

10. The merchant must follow his goods to secure them from spoliation, and his agents from the extremity of ill-treatment, such as has quite recently occurred at Chen-chiang-foo, where the shroffs and others in the employment of British merchants have been beaten and tortured until they consented to make a false declaration to the prejudice of their employers.

11. Finally, the working of mines, those of coal most especially, by foreign engineering science and machinery, has been urged as essential to facilitate the steamer traffic both on the coast and on the Yang-tsze, but no less advantageous to the Chinese people and the Government, which both employ or possess a large number of steamers. To this conditional assent has been given; but, as in the matter of inland residence and navigation, it has been so framed as to deprive it of all practical value.

12. These are vital points. On the favourable or adverse decision respecting them entirely depends the result of the present negotiations. If the Yamên persist in refusal, the British Minister must repeat, as his final rejoinder, that no effective remedy will have been provided for the abuses and open violations of Treaties, both in their letter and spirit, which have been too long permitted to harass the foreign merchant, and prevent all free development of trade.

13. Before coming to this conclusion the British Minister trusts very earnestly that the Yamên will take the following certain results into consideration, in addition to all that has been already set forth.

14. The Chinese Government has sent a Mission to all the Treaty Powers. Their Envoy has declared in the United States that this Mission meant progress. It was on this understanding that the Mission met with so cordial a reception in America from both Government and people. It was on the faith of this promise of progress that the United States' Government appears to have entered into an Additional Convention declaring their

desire to respect the independence and integrity of the Chinese Empire, and to abstain from all undue pressure for sudden or great innovations. If there be any doubt in the minds of the Ministers as to the correctness of these statements, let them ask the newly-arrived Representative of the United States who was still in his own country when Mr. Burlingame arrived, and the Additional Articles were signed.

15. No clearer evidence could be afforded to the Government and people of the United States that they have been misled and altogether deceived by the declaration that the Mission meant progress than the present action of the Yamên supplies. A refusal now on the part of the Yamên to grant those facilities without which the Treaties cannot be made effective or carried into execution in all the most important stipulations, cannot fail to bring the Mission and the Government into disrepute. Not progress, but a resolute denial of all that constitutes either progress or improvement, in furtherance of a stationary or retrograde policy, will be plainly seen to be the end contemplated.

16. Has the Yamên considered what will be the natural and inevitable result of such a conviction once it is entertained by the Cabinets of Europe? A refusal to listen to their Envoy, or to attach any faith to his representations, will only be the first of these. They will see that while he has been sent forth to talk, in the name of the Emperor, of progress to the several Treaty Powers of the Western world, the Government here have determined to resist all efforts to induce them to move even within the narrowest limits or to advance a step; and declared by acts more significant than words their resolution to stand fast in the old ways of passive resistance to every argument in favour of progress whether rapid or slow, and of improvement however gradual. They will see that nothing more is to be hoped from negotiations dictated by a spirit of peace and good-will towards China; and that if execution is to be obtained for existing Treaties, it must be secured by other means and arguments than those hitherto resorted to by their Representatives.

17. Finally, it will remain for the British Minister to show that, so far from any undue pressure having been resorted to, a whole year has been devoted to the patient consideration of the whole subject. So far from any demands for sudden and great changes before the Government or country could be prepared, having been made, many which might be desired have been altogether ignored because they were of this character; such as railroads and telegraphs, although even in these a very gradual beginning might obviously be made, and as an experiment which could entail no serious prejudice to any national interests.

18. Thus whatever was calculated to embarrass the progress of negotiations and a satisfactory issue, if not essential to the attainment of the main object, has been carefully excluded, with a thoughtful regard to the present state of affairs and the position of the Ministers. And even some things in the highest degree desirable in the interest of foreign trade, such as the importation of foreign salt, have been kept out of sight, simply because they either necessarily did, or might be supposed to, involve more sudden and considerable changes than could at the present moment be safely sanctioned. On the part of the British Minister nothing has been left undone to secure a satisfactory solution of all difficulties, the final result of so much effort now rests with the Yamên alone.

19. Even in matters of prescriptive right and undoubted expediency, such as the privileges and position of the Diplomatic Corps at Peking, and admission to the Palace among the principal of these, no word has been said by the British Minister, not because he did not deem them important, but because he knew they were subjects of discussion likely to create serious trouble and embarrassment to the Yamên at the present time, whereas a year or two hence, when the minority of the Emperor ceases, they must of necessity receive a satisfactory solution.

No. 75.

Sir R. Alcock to Lord Stanley.—(Received January 24, 1869.)

My Lord, *Peking, November 23, 1868.*

IN continuation of my despatch of the 10th instant, I have the honour to inclose a copy of Mr. Ross Browne's communication to the Prince of Kung, together with his covering letter to myself, referring to the interview we had conjointly with the members of the Yamên on the 9th instant, on the subject of Treaty revision.

I think your Lordship will be glad to see how entirely the Minister of the United States has endorsed the views which it has been my mission during the past twelve months to advocate and bring before the Yamên. Whatever may be the practical effect of this frank declaration of opinion and general accordance of views, it must, I conceive,

have some beneficial result, and was much needed at this time to counteract the unfavourable influence which the signing of the Additional Articles by the Chinese Mission in Washington was only too well calculated to exerceise on the minds of Prince Kung and his colleagues.

The estimate Mr. Ross Browne has formed, and so distinctly put before the Yamên, of the comparatively small importance of the several points already conceded is substantially the same as all the other foreign Representatives have put on record. And as their opinions had already been communicated to the Yamên through me in the note sent in on the 1st of October in reply to the several memoranda received from them, summing up the concessions they were prepared to make, this unanimity of the whole Corps Diplomatique at Peking on a question of such gravity, affecting the interests of all the Treaty Powers, cannot fail to have some weight in the Councils of the Empire.

No doubt Mr. Browne has seen the policy of placing these concessions at the lowest value, and perhaps underrating their importance; but that the last word in this discussion should come from the newly arrived Representative of the United States of America, and speak, if possible, more decisively on the side of progress, and the necessity for such beginnings in that direction as I am still pressing for, than any of my own utterances, must strike the Prince and other Ministers as full of significance. It is, I think, likely to deprive them of any lingering hope Mr. Burlingame's action may have excited, that they might count upon the Government of the United States for support in a course of passive resistance and inertness.

I consider much credit is due to Mr. Ross Browne for the courage with which he has ventured, at this critical moment, to put on record a construction of the true meaning of the Additional Articles which reconciles the apparent discrepancy between their signature, and a policy of progressive improvement such as I have during the past year pressed upon the Chinese Government as essential to their own security, and the better execution of the Treaties.

It was the intention of the Prince of Kung and the Ministers, either to have sent a written answer to my last two communications, or to have come to the Legation for a farther conference. I thought it better, however, that they should first receive Mr. Browne's note, and therefore begged them to defer either writing or seeing me until it was in their hands. As they will only receive it to-day or to-morrow, it is obvious that I cannot expect to communicate any final result before this courier leaves on the 25th. I trust, however, by next mail, to be able to inform your Lordship, without fail, of the termination of the preliminary negotiations, and to refer the whole of the papers for such instructions as Her Majesty's Government may see fit to give. If anything very definitive or satisfactory take place, I can send a telegram overland *viâ* St. Petersburgh.

I have, &c.

(Signed) RUTHERFORD ALCOCK.

Inclosure 1 in No. 75.

Mr. Browne to the Prince of Kung.

Sir, *Peking, November* 14, 1868.

ON Monday last, at the joint interview of the British Minister and myself with your Highness and members of the Yamên, I took occasion to submit a few considerations in connection with the growing intercourse between the citizens of the United States and China, upon a clear understanding of which, I think, important results depend.

It was scarcely practicable in a desultory conversation, and with the difficulties of verbal interpretation, to make every point as intelligible as the gravity of the subject demands; and I now, agreeably to promise, submit my views in writing.

The present seems an opportune occasion for a candid interchange of opinion, since some of the changes proposed in the British Treaty now under consideration, cannot fail to affect the interests of the United States.

The policy of my Government is doubtless well understood by your Highness. It is the policy of peace, based upon reason, justice, and humanity. Seeking no advantage inconsistent with the general welfare, its cherished object is to promote fraternal intercourse between nations.

Influenced by a natural interest in the oldest of living nations, hitherto deemed the most exclusive, it was with extreme gratification that the Government and people of my country learned, near the close of the last year, that the Government of China had determined upon sending an Embassy to the Western Powers.

The reception of this Embassy in the United States may be regarded as an epoch in the history of diplomatic intercourse. From the day of its arrival at San Francisco till the day of its departure for Europe, demonstrations of respect and honour were lavished upon its members. Its approach was heralded by the press of the country as a great advance in the march of modern civilization; and its arrival was the signal for generous expressions of welcome from the statesmen and orators of our land.

The President of the United States received the Embassy with marked cordiality, and expressed his appreciation of the sagacity with which the enlightened Chinese Government had responded to the amicable policy adopted by Christian nations.

Both Houses of Congress gave your Ambassadors an enthusiastic official reception. The Speaker of the House of Representatives availed himself of the occasion to say that this Embassy which had attracted such universal attention, had been hailed throughout our land, not only as marking an onward step in the world's history, but as being of peculiar interest to the Republic.

These friendly sentiments, officially expressed, may be regarded as the unanimous voice of the nation.

Considering the growth of American commerce with China, the rapid extension of our Pacific steam navigation, the approaching completion of our great trans-continental railroad, and the enterprising character of our people, this gratifying movement on the part of a great nation with whom we have such important relations, could have but one interpretation. Everywhere, and by all classes, with singular unanimity, it was understood to mean the abandonment by China of its former exclusive policy, and the substitution of one more in accordance with the progressive spirit of the age.

Reference is made to these facts to indicate some of the grounds upon which a liberal policy in the future may reasonably be anticipated.

Upon a perusal of the correspondence and minutes of proceedings in connection with the proposed revision of the British Treaty, I find every point upon which differences of opinion exist fully considered.

It is extremely gratifying to observe the courtesy, intelligence, and ability with which the propositions of the British Minister are discussed by the Yamên. Before a final decision, however, is rendered upon the questions still at issue, it is earnestly to be hoped the Government of China will not permit so favourable an opportunity to pass without placing upon record a substantial guarantee of its disposition to make a forward movement. Future misunderstanding may be prevented by a distinct declaration of policy at this time.

So far, the few points conceded are of minor importance, and can scarcely result in any practical good, either to natives or foreigners, without those substantial concessions upon which the prosperity of commerce and all mutual advantages of intercourse depend.

The abolition of interior transit-passes and substitution of an increased import duty will not, I apprehend, prevent those abuses which now form so serious an impediment to trade. The course of proceeding necessary to secure indemnity from illegal taxation is liable to give rise to vexatious delays by opening new fields for litigation. Undoubtedly, the true solution of this problem lies in the removal of unnecessary restrictions upon foreign merchants. If permitted to reside in the interior, rent or purchase warehouses, and carry on their business without unnecessary checks and hindrances, they would soon come to a good understanding with the Mandarins and people; mutual prejudices would gradually be removed, and confidence established. If the trade continues, it must come to this sooner or later; and the question for the consideration of your Highness is whether it is well to prolong indefinitely existing causes of dissension.

There can be no equality among nations without mutual advantages of intercourse. At this time there are 60,000 Chinese on the Pacific coast, who are engaged in almost every branch of industry open to our own citizens. They are permitted to travel or trade, rent or purchase houses, wherever their inclination may lead them. Local prejudices which, from want of knowledge of their true character, formerly existed against them are rapidly disappearing; and they are now generally regarded by intelligent classes of the community as an orderly, industrious, and valuable part of our population. Might not similar good results attend the extension of increased facilities for intercourse to the few foreigners in this country? Those who seek to trade, and purchase or rent property in the interior, are generally men of responsible character who have large pecuniary interests at stake. No better guarantee could be given against lawless and disorderly proceedings.

At this point it was understood to be remarked by the Yamên, at the interview of Monday, that the Chinese in the United States are under American law, and that, if Americans would consent to subject themselves to Chinese law in this country, they might reasonably expect equal privileges.

This question has been discussed for many years past, and it is unnecessary now to repeat the arguments advanced. When the Government of China shall deem it expedient to establish a code of laws, based upon principles of justice, recognized and accepted by the comity of Western nations, and to which the Government of the United States can safely give its assent, then this cause of complaint will doubtless be removed.

An important question upon which no agreement has yet been reached, is the proposed extension of steam navigation on the inland waters. All experience has demonstrated in Europe, America, and India, and to some extent in the waters of China, that, without the use of vessels and machinery propelled by steam, no extensive systems of trade can now be carried on in any country with profit. In Mexico, Central and South America, and other countries through which railroads have been constructed only to a limited extent, steam navigation on the coasts and inland waters is now making considerable progress. These countries, however, are still very far behind the times, and the consequence is, they are poor, and their trade is small compared with their capacity for production. The case of small steamers or even steam-tugs on the upper waters of the Yang-tsze-kiang, on the Poyang Lake, and on the Peiho River from Tien-tsin to Tung-chow, would greatly facilitate the transportation of merchandize and domestic products, and would dispense with unnecessary and unprofitable labour, which could well be devoted to the opening of coal-mines, building of roads, and other works of internal improvement. This need not be done so rapidly as to produce distress among the labouring classes who now earn a subsistence in the old way; but if any change is contemplated, what advantage is gained by indefinite postponement? Why should not a beginning be made now as well as half a century hence? The people cannot adapt themselves to a new condition of things before anything new is attempted. If they were now undergoing a course of preparation, some definite results might be anticipated, but merely to hold back when all the world is advancing, is to invite that foreign interference which is so much deprecated.

If the employment of a large number of men, where only a few are necessary to do the work, could be regarded as advantageous, then there would be good reason why the freight-boats now hauled by hand up many of the rivers might be dispensed with, and the cargoes be carried by coolies. But such a course, although it would furnish employment to many who probably need it, would not increase the means of subsistence. It cannot be denied that freight-boats have already dispensed with much unprofitable labour; and small steamers or steam-tugs would only be another step in the same direction.

A similar argument may be used in reference to railroads. Nearly all the land transportation is now carried on by means of coolies, camels, wheelbarrows, and small waggons. No system more difficult, tedious, and expensive, could be devised. It is a draft upon labour without any adequate result. Nevertheless, it could not be expected, much less desired, by a friendly State, that sudden and extraordinary changes should be made. An experiment on a small scale, say from Taku, Tien-tsin, or even Tung-chow, to Peking, would test the advantages of railroads when the work could be directly under control of the Government. There are private capitalists who would be willing to take all the pecuniary risk, and receive their compensation upon any equitable basis that might be agreed upon as not inconsistent with the interests of China. Even a tramway from the coal-mines in the vicinity of Peking to the city walls or to the river would be a reasonable beginning. The supply of coal now depends upon the growth of grass; for in bad seasons the camels starve, and coal becomes scarce and dear. This is a very uncertain dependence for so indispensable an article.

It is earnestly to be hoped that this great Empire, abounding in so many natural resources, and with a people so industrious, so skilful in mechanics, so peculiarly qualified in all respects to avail themselves of modern invention, will not oppose all experiment in this direction. Already ample proof has been furnished that the labouring classes of China, constituting so large a proportion of the population, are not inimical to these new contrivances for saving time and making labour profitable: 10,000 Chinese have aided in building the great central railway across the continent of North America, and there is not an instance in which they have refused to work for fair compensation, because of any prejudice or superstition. The arsenal at Shanghae, in which 700 native workmen are employed, presents conclusive evidence of their readiness and ability to perform any kind of mechanical labour, even to the manufacture of engines and building of steamers, which they have already done with complete success.

The commerce of the vast interior might be greatly increased by these new methods of communication. Agriculture has been carried to great perfection, and now yields very nearly its maximum. But so dense a population cannot derive a subsistence from this source after an enlarged foreign intercourse has once commenced. New demands are

made, new wants are created, and a greater diversity of pursuits becomes necessary. Mining, manufactures, and various internal improvements furnish additional and profitable occupation; and nations become rich and prosperous as they adopt the use of steam and improved methods of labour, while all countries in which these have not been introduced find it difficult to maintain an existence.

The question of the opening of the coal-mines has been considered without any satisfactory result. No real concession is made. There is a great demand for coal at the principal commercial marts on this coast. It is well known that coal-seams of great extent and richness exist near the banks of the Yang-tsze-kiang, and in the Province of Shangtung; also in the vicinity of Peking. Mr. Pumpelly has fully demonstrated this in his Report recently published. By the use of proper machinery for working the mines, and suitable improvements for transportation, there can be no doubt this indispensable article could be delivered at the ports for less than half its present cost. This would be a source of large revenue to the Chinese Government, and a great advantage to commerce; yet objections are made to the only means by which either natives or foreigners can avail themselves of this great natural resource. A willingness is expressed to try the experiment of working certain mines by means of foreign machinery, under official direction and on Government account. It will be of very little avail to get the coal out of the mines, unless some cheaper methods of transportation are adopted. The cost of carrying it to the place of consumption is now the principal item of expense. Besides, no mining enterprise has ever been known to succeed in this way; and failure now would be very discouraging to all parties. Government cannot, from the precarious nature of the pursuit, work mines successfully. It is for individual enterprise to make them profitable. In all countries where mining of any kind is carried on extensively, it has been found expedient to allow the mines to be worked by private companies or individuals, who either purchase them in fee simple, as in the United States, or pay a share of the proceeds to the Government. This has been done to promote individual effort without subjecting the public revenue to unnecessary risks; and it has always been found most conducive to the development of the natural resources of the country.

To lease the coal-mines, or a few of them, by way of experiment, to whosoever may offer the best terms for the privilege of working them, would seem to be a very reasonable way of making a beginning and avoiding all risk, by leaving the matter of success or failure to those individually concerned. It would not throw any of the laborious classes out of employment or introduce a large foreign population. The work would be done by Chinese under proper direction, and thus a new field for native industry would be opened, while commerce would be greatly benefited.

At the interview of Monday it was understood to be argued, in response to some of these suggestions, that the Government of China sees quite clearly the advantages to be derived from the introduction of foreign improvements; but that the country is not yet prepared for such changes as those recommended; that different interpretations may be given to the word "progress;" what is thought "progress" in one country might be something very different in another; that here there are great difficulties in the way of changes; they must be gradual and based upon a sure foundation; that all progress which is not voluntary, or which comes from others, is spurious, and must fail to be beneficial. In short, it was contended that China is willing to advance, but must do so in her own way and at her own discretion.

Nothing can be more reasonable than this as a fundamental principle. No friendly Power can desire to impair the self-respect, or detract from the independence of another.

The Government of the United States simply adheres to its established policy in disclaiming any right or intention to interfere in the administration of the domestic affairs of China. The best possible proof of the soundness of that policy, and of its thorough appreciation by the Chinese Government, can now be given to the world. In entering into the comity of nations, it is impossible that China can postpone indefinitely all responsive movements upon which equality and friendly intercourse depend without disregarding an essential element in the compact. Modern enterprise has penetrated the exclusiveness of this ancient Empire; and it now becomes a question for the consideration of your Highness whether progress, as understood by Western nations, can be arrested by arguments, however specious, or by Governments, however pacific in their intentions.

There can be no question as to the object of the commercial world. It desires an extension of trade; but no trade with any nation can be profitable or enduring which is not of mutual advantage. It is a fallacy, therefore, to suppose that because foreigners may be governed by motives of self-interest, all the facilities and concessions they ask must be injurious to China.

I have thus frankly, and in the spirit of true friendship, stated my views. Results of inestimable magnitude, and of profound interest to the welfare of this great Empire, depend upon the action taken at this time. It is manifest to my mind that steam on the navigable waters, the proper working of coal-mines, residence and all the rights of trade in the interior, and the gradual establishment of telegraphs and railroad systems, are essential measures of modern intercourse; and that some earnest of a beginning, without unnecessary delay, would avert much future misunderstanding. An irresistible spirit of progression is effecting great changes everywhere. Modern nations, under the general impulse, move rapidly, and will not be likely to leave the work of the present generation to posterity.

I have, &c.
(Signed) J. ROSS BROWNE.

Inclosure 2 in No. 75.

Mr. Browne to Sir R. Alcock.

Sir, *Peking, November* 23, 1868.

I HAVE to acknowledge your courtesy in furnishing this Legation with copies of various papers connected with the revision of the British Treaty, and especially with a copy of your letter of November 9 to Prince Kung, inclosing Memoranda of the main points discussed at our joint interview of that date with his Imperial Highness.

Allow me to express my cordial appreciation of the fairness, persistency, and discrimination with which you have advocated those essential measures of modern intercourse in which all the civilized world must feel a common interest.

I beg to inclose herewith a copy of my letter to Prince Kung, containing a more complete summary of my views on the various points discussed than I had an opportunity of submitting at the interview.

Both personally and in writing I have endeavoured, in the most friendly spirit, to impress upon the Chinese Government the importance of assimilating its policy to the changed condition of affairs already brought about by intercourse with foreign nations. A positive movement, such as the opening of the coal-mines and the extension of facilities for trade in the interior would satisfy public expectation, and it might be made under such conditions as in no way to impair the independence of the Empire. By this course some guarantee of a disposition to advance would be given to the world, and future progress might reasonably be anticipated. Nothing can be more futile, however, than to look for improvement in an indefinite postponement of the means by which other countries achieve prosperity and power.

There does not seem to be any material difference between the line of argument now taken in opposition to all progress and that which has been maintained with so much adroitness and tenacity for many years past.

It is a serious problem how far this inertia can be overcome by argument, or to what extent other means would be justifiable or available. Apart from considerations of humanity, I am inclined to the opinion that no radical measures of improvement can be forced upon the Government or people of China without detriment to the interests of all concerned. This may seem an anomaly, since all the advance they have made up to this time has been under the influence of force. But there is unquestionably a limit beyond which compulsory means cannot go without a subversion of the existing system of government. What foreign Power, in this event, is prepared to devise a system better adapted to its purposes, or to assume the control of 300,000,000 of people.

These are questions of grave import, which Christian nations will naturally consider in an equitable and enlightened spirit.

An exaction of all rights granted by existing Treaties, in their full intent and meaning, and a strong moral pressure constantly brought to bear at every point of contact, must, I think, be relied upon as the only sure way of effecting any change likely to be beneficial to these peculiar people, and advantageous to the nations with which they hold intercourse.

Your long experience in China has eminently qualified you to form just conclusions on this subject, and I submit these considerations merely as the result of my own impressions derived from a very brief residence in the country.

I have, &c.
(Signed) J. ROSS BROWNE.

No. 76.

Sir R. Alcock to Lord Stanley.—(*Received February* 8, 1869.)

My Lord, *Peking, December* 6, 1868.

IN my despatch of the 22nd of January last I informed your Lordship that the Tsungli Yamên had given their consent, to the appointment of a Mixed Commission, to devise means for securing the redress of commercial grievances and increased facilities of trade. I have now to report the result of the labours of the Commission during the intervening period, and the conclusions arrived at by the Tsung-li Yamên and myself, in respect to the various matters discussed and the measures proposed. There are still several points on which it has been found impossible to arrive at a perfect accord, but no nearer approach is likely to be made at present; and I therefore forward the whole of the papers bearing upon the negotiations:—

1. The series of the Minutes made by Mr. Fraser after each meeting, taken in connection with a similar series of instructions, indicating the grounds to be taken by the British member in the discussion of each question brought before them.

2. The correspondence between the Prince of Kung, as President of the Foreign Board or Yamên, and myself, summing up the whole, and defining the points on which a general agreement had been secured, and showing where this had failed, and the arguments used on each side in support of the conflicting views.

3. A correspondence with the Foreign Representatives at Peking, in which there is an exchange of views on the subject of revision, and the objects to be sought. Your Lordship will see that my colleagues were disposed to treat as comparatively insignificant all concessions which would not open China as completely to foreigners as any country in Europe, while still preserving their rights of exterritoriality. Such unequal and incompatible conditions might possibly be imposed by force upon a conquered nation, but can never be the result of negotiations; nor could they, in my opinion, be carried into effect, without great danger to the existing Government and Empire.

In the Memorandum of the 8th of November, 1867, communicated to my colleagues, I questioned the expediency of attempting any great or fundamental changes in our relations, believing the time singularly inopportune; and in this view they very generally concurred at the time, nor am I aware that they have since changed their opinions, or would be prepared to recommend their own Government to insist on any other or wider basis.

It may be in your Lordship's recollection that, in my note written for communication to the Prince of Kung and the Tsung-li Yamên, inclosed in my despatch of the 23rd of December, 1867, in which I proposed the appointment of the Commission, I specified the practical objects to be kept in view under several heads. These separate heads all had reference either to well-defined grievances and obstacles to the faithful observance of Treaty stipulations, under which merchants were suffering, or to increased facilities for trade, which, though not distinctly provided for by any Article in the Treaties,—and therefore to be regarded more or less as concessions to compensate for past shortcomings,—were yet in perfect accord with the spirit of those Treaties, and necessary to give them full effect in the existing state of the country. To the attainment of these several objects my attention was chiefly directed in the first instance. To these, indeed, I was much disposed to limit all efforts; but, in deference to the strongly-expressed opinions of my colleagues, I subsequently urged the grant of increased facilities for inland residence, steam navigation in the inland waters, and open competition for the working of mines. There seemed little probability of success; but even failure, under the circumstances, would not be altogether without counterbalancing advantages. The determination of the Chinese Government to resist further advance in this direction would be put to the test, and thus to Her Majesty's Government, as to other Powers, evidence would be afforded of the futility of continued attempts to obtain such results by diplomacy and negotiations.

The line of argument taken, therefore, and the opinions expressed, in my last communications to the Yamên of the 8th of September and 9th of November, must be read by the light of this explanation, and rather as conveying the general sense in which my colleagues desired the matter to be pressed than my own individual convictions. I do not think, in the present state of the country and the Government, either as regards their hold on the provinces, or their power to assert their own rights where foreign States are concerned, that it is possible for them to admit foreigners freely to navigate the inland waters with steam-vessels, and to take up their residence in the interior, or even to open mines to foreigners, without danger to themselves and to us. Many of the grounds for this opinion

are more fully stated in my despatch of the 4th instant, marked Separate and Confidential. I consider the attitude taken by the Romanist Missions, and the protectorate asserted by France, to constitute alone a sufficient reason for refusal, exclusive of the difficulty occasioned by the exterritorialization of all foreigners.

It was only by such preliminary discussions and negotiations as have been entered upon that it was possible to ascertain, without Her Majesty's Government being committed to a negotiation for a new Treaty, or such modifications in the present as would be equivalent to a new one on a different basis, how far in any direction the Chinese Government would go, or could be induced to yield to friendly argument and pressure, without compulsion or resort to force; and what were the points on which they might prefer to make a final stand, and accept all the risks of resistance and war rather than give way. I think both objects, the direct and the collateral, have now been fully attained,—the knowledge of all that can be obtained in the way of specific advantages or concessions by negotiations, and something very like certainty as to what cannot be so secured.

The leking and transit due questions have been put in train for satisfactory arrangement,—by far the most vital point, I conceive, in the interests of commerce. And it is this (as will be seen by the minutes and instructions noted in the margin) which presented the greatest difficulties, from its intimate connection with their fiscal administration and whole system of Provincial Government. Increased facilities as regards trade, both in the interior and on the coast, which, in the aggregate, will form a material addition to the privileges and advantages hitherto enjoyed, besides removing numerous vexatious obstructions, they were more ready to grant, and without prolonged discussion.

The adoption of a commercial code and fixed procedure in harmony with European principles of legislation, together with a better organization of a system of Mixed Courts, to which they have assented, placing the means at Sir E. Hornby's disposal for engaging legal assistance under his supervision, I look upon as a most important step towards the adoption of an international code and system of adjudication, such as has been accepted in Turkey. A similar system appears to be under consideration for Egypt, by which foreigners and natives alike may be judged. If ever this can be brought to bear here, there may be the same recognition of the rights of the Territorial Government by foreign Powers, and one, if not the greatest, objection to the residence of foreigners in the interior, not subject to their laws or jurisdiction, will then have been removed.

So in regard to the inland navigation and working of mines by foreigners conceded in principle, but limited in their application, in the one case to sailing vessels, and the other to agency only under Chinese proprietary rights. I see in this the germ of future development into all we can desire. I think any dissatisfaction that may arise from the proposed limitations, or disposition to undervalue what has been gained, for which Her Majesty's Government must be prepared, will be due to a want of appreciation of the actual conditions which govern and control the action of the Yamên, and the influences at work in the Chinese mind in favour of progressive development. Mines, to be worked at all, and by the aid of foreign machinery and engineering science, was the one thing most essential and difficult of attainment: that secured, the difficulty of working mines to profit by a Government will soon make itself felt here, as in other countries; and the experience gained will tend to throw them open, sooner or later, and with more or less restrictive conditions, to foreign capital and skill.

So of inland navigation, though limited to sailing vessels at first, it is with the assurance from the Yamên that as soon as the Chinese themselves are prepared to employ steam on the inland waters, foreigners too may share the advantage by freely entering into competition on equal terms. I have little doubt that in a country with such industrial instincts and commercial habits as characterize the Chinese population, they will not be long in profiting by the hint, even without the suggestions or help of their foreign partners. Already steam ship companies occupy the coasting trade with numerous vessels, the chief proprietors of which are native traders. Indeed, but for this transfer of capital, the injury to the native junk or shipping interests must have been much greater than the Prince so emphatically contends it has been in his last Memorandum. Those who were great junk-owners, or many of them, are now shareholders in Steam-Ship Companies, and thus have in part recovered their losses by new sources of profit. What prevents them from at once extending their operations inland, if it will answer as a commercial undertaking? And if it will not, foreign merchants have nothing to gain by the privileges. As an experiment of how far there is any real want, the Yamên has finally consented to make a beginning by placing a steam-tug, under Custom-house superintendence, on the Poyang Lake, to be available for merchants desiring such aid in the transport of tea and goods.

Your Lordship will see that I am disposed rather to estimate the value of what the Chinese are now willing to grant, by what these concessions or facilities will naturally lead

to in a short time, than their immediate results. They may be looked upon as tramroads and viaducts, shortening distance and bridging over previously impassable ground,—as agencies for clearing away obstacles and smoothing the native roads in which a great traffic has to run, and valued for this rather than for the immediate dividends they may bring. The actual shareholders in the concern, the merchants now in China, of course look here, as elsewhere, rather to the present than the future, and would probably much prefer dividends in hand to better prospects and improved property hereafter, but Governments must look to the end, and I feel that while the more immediate object of these long-protracted discussions and preliminary negotiations has been fairly attained, with certain promise of benefit to the merchant, much has been accomplished beyond this calculated to facilitate a final revision far more comprehensive and satisfactory to mercantile interests than could have been anticipated last year at this time.

I proposed to myself in the first instance, as an end, to ascertain whether a revision of the Treaty, instead of the Tariff and Regulations of Trade simply, would be assented to by the Chinese Government; and, if so, what were the bases they might be induced to adopt? More especially, of the numerous changes proposed by the merchants in their Memorials, which, of those most desirable in our interests, were feasible without doing the Chinese obvious injury, and so exciting a degree of opposition not to be overcome by any peaceable efforts or negotiations. Hitherto we have only attempted to make Treaties with China after an appeal to arms, under which they have succumbed. Now, for the first time, there is an opening for negotiation on a totally different basis, one of mutual interests and friendly relations, and this change of circumstances must materially affect, if not wholly govern, the progress of affairs, as well as the things attainable. The same problem has to be solved, the same objects are sought, but the conditions are changed; of course nothing can be more easy than to solve the most complex problem by ignoring one-half of its conditions; but that which is easy to the merchant is impossible to the negotiators. The following may be taken as the bases which the Yamên are disposed to assent to for a revision of the Treaty :—

I.—*In respect to Tariff, and Trade or Customs Regulations.*

1. To adopt a system of transit for articles entering into the export and import trade, which shall exempt them from all charges, under whatever denomination of taxes, and whether in foreign or Chinese hands; the payment of a transit due of 2½ per cent. on all imports being secured, at the port of entry, by payment to the Maritime Customs; and by this means relieve them of all liability to the payment of leking taxes, either at the ports or elsewhere—the greatest of the grievances complained of by the trade; and to make the same known by Imperial Edict or Proclamation (copy inclosed*).

2. To free all ship and dock stores, and any others, personal or house stores, exclusively for foreign consumption, under certain rules calculated to attain the end.

3. To repay drawbacks in money during any current quarter.

4. To establish bonded warehouses at the ports where they are desired.

5. To reduce the tariff on some twelve articles enumerated in the Memorials. (To this the Yamên are still anxious to attach a condition of general revision, so as to equalize all duties to an average of 5 per cent., if Her Majesty's Government decline to consent to the duties being doubled on tea, silk, and opium.)

6. To abolish coast-trade tea-bonds at the riverain ports.

7. To facilitate and equalize the payment of duties by fixing, as far as practicable, the touch of sycee at each port, as suggested in some of the Memorials.

II.—*In greater facilities for Trading Operations, and Transport of Goods in the Interior.*

8. To erect landing-stages at certain points, to be determined upon, on the Yang-tsze.

9. To open one or more new ports on the coast, as may be hereafter determined.

10. To work, in the vicinity of one or more of the Treaty ports, coal-mines, with the aid of foreign skill and machinery, and all the necessary facilities for cheap transport to the points of shipment.

11. To give the right of navigation in the inland waters to foreign vessels and boats not propelled by steam—the restriction to hold only so long as the Chinese merchants themselves do not employ steamers on the same.

12. To place a steam-tug on the Poyang Lake, to aid the rapid transport of foreign-owned goods or produce.

13. To adopt a written code of commercial law, and fixed rules of procedure and

* Inclosure 38 in No. 76.

practice, and a better constitution of Mixed Courts for its administration in all mixed cases of civil suit between foreigners and natives.

14. To issue a proclamation (copy inclosed*) recognizing the right of foreigners to travel freely in the interior for the purposes of trade, and to hire lodgings and accommodation for their produce or goods.

The Chinese Government consenting to a revision of the Treaty on such bases, I have given formal notice, by the note of which a copy is inclosed,† that Her Majesty's Government reserve their right, under the 27th clause of the Treaty of Tien-tsin, to a revision; and it only now remains for your Lordship to give such instructions to that end as, upon a review of all the circumstances detailed in the inclosed papers, shall seem fit.

I reserve for a later despatch such further observations on the general scope and bearing of the concessions the Yamên have signified their readiness to make, and the obstacles which render any more decided advance in the direction desired by the merchants impossible, as regards inland navigation by steam, acquisition or lease of land or houses in the interior, and a license to work mines—three points on which these concessions fall short of their demands. Railroads and telegraphs, together with the admission of foreign salt, form a second category in which it has been found equally impracticable to obtain any present concession. But that every one of these points has been pressed upon the consideration of the Yamên, both anterior to and during the progress of these negotiations, will be seen by reference to the various official communications which have passed between the Prince of Kung and myself.

I have communicated to the Foreign Representatives in Peking, through the Doyen, the Russian Minister, in a note of which a copy is inclosed, the bases on which it is proposed to effect a revision.

I have, &c.
(Signed) RUTHERFORD ALCOCK.

Inclosure 1 in No. 76.

Memorandum by Sir R. Alcock.

March 2, 1868.

IN the note of the British Minister in which it is suggested that the Commission now about to meet should be appointed, are the following paragraphs:—

"Now, what is the greatest of all the grievances which foreigners in China complain of? Is it not the local taxation by the Mandarins at the ports, and by the provincial authorities throughout the interior, contrary in many cases to their own laws, and in violation of distinct Treaty stipulations in all? Under the head of leking taxes and transit dues chiefly, but under an infinite variety of names and pretexts, exactions over and above what by Treaty they are entitled to levy, amounting to from 7 per cent. to 100 per cent. of the original cost, are raised before foreign goods can reach the hands of the consumer in the interior."

And again:—

"Some means must therefore be found, without further delay, of stopping all arbitrary levy of taxes—under whatever name or pretext these may be imposed—upon all staple articles entering into foreign trade. Those that are justly leviable by Treaty under the head of transit-dues must be collected in a way less obstructive and injurious to the merchants, and all undue interference, against the spirit and intention of Treaties, with the transport of goods and produce through the provinces must cease."

In these paragraphs the main object, and the most important part of the business, of the Commission are defined:—the practical means of stopping without delay all levy of taxes other than the maritime and transit dues recognized by Treaty, first, within the limits of the port (say, in a radius of thirty li), and next in the interior, in transit through the provinces; and this for all the staples of foreign trade, not only foreign goods, but tea and silk proceeding to the ports from the place of production.

The better to assist the Commissioners in their labours to this end, the numerous claims already sent in for repayment of taxes unduly levied are placed in the hands of the British member, to be produced, not only as proofs and indications of the different directions which will have to be applied, but, as will be suggested to the Tsung-li Yamên, that they may be investigated and reported upon, as a preliminary to their payment.

The removal of these sources of complaint, consisting of exactions, or taxation delays, or interruptions to the transport of goods through the interior, in whatever shape these may

* Inclosure 39 in No. 76. † Inclosure 40 in No. 76.

exist, is the first and great work of the Commission. But to remove, they must first know where such abuses prevail, in what form they exist, and who are responsible for their existence. Something of inquiry and investigation, therefore, is clearly required in the beginning, and as a needful preliminary to any complete or effective action under the first and third heads in which the objects of a Commission are classed in the Memorandum. It is probable that the objects specified under the fourth head may be kept in view, and some parallel inquiry carried out at the same time with regard to them.

The five heads under which action should be taken are attached hereto, for the information and guidance of the Commission:—

I. The exemption of all foreign goods going into the interior, and of Chinese produce proceeding to the Treaty ports for export, from transit duty or inland tax of any kind, in consideration of a duty of $2\frac{1}{2}$ per cent. *ad valorem* once paid at the shipping port; the proceeds to be remitted at stated periods, to the several Treasuries of the provinces through which such goods or produce may pass, according to some fixed rule.

II. A modification of the maritime duties on ten or twelve articles, which experience has shown to bear injuriously on trade, and without benefit to the revenue.

III. Facilities of transport through the interior, by a recognized right of foreign merchants to carry their articles of commerce, whether foreign goods or Chinese produce in which they have a *bonâ fide* interest, in their own vessels, whether propelled by oars, sails, or steam, under Custom-house paper and with proper securities.

IV. The power to land goods or take produce at certain landing-places between Hankow and Chin-kiang—such places to be fixed by the Custom-house authorities.

V. Bonded warehouses at such of the Treaty ports as the majority of the resident merchants may consider it desirable, in the interest of trade, that they should exist.

To which may be added, with the consent of the Yamên:—

VI. Measures to be taken for the establishment of a Mixed Tribunal at Shanghae for the settlement of all civil cases between foreigners and Chinese; the appointment of a Chinese magistrate, with full powers to give effect to judgments; the adoption of a Code of Commercial Law, as in Turkey the Code Napoléon.

(Signed) RUTHERFORD ALCOCK.

Inclosure 2 in No. 76.

Minute of the Proceedings of the Mixed Commission, March 3, 1868.

WENT to Yamên with Mr. Fraser to hold the first interview with the Secretaries and Mr. Hart, appointed by the Prince and Ministers as a Commission to confer with Mr. Fraser on the points of international interest, referred to in Sir Rutherford Alcock's note of December 1, 1867. Only Mr. Hart and one Secretary, Tsai, were present; the other Secretary, Hsia, being too unwell to come to the Yamên.

Some discussion as to method of proceedings took place, and it was agreed that, without any formal regulation on the subject, the custom followed in all Chinese interviews, viz., of placing the guest in the seat of honour, should be adhered to. It was also agreed that at each meeting, the day for the next interview, and the subjects for discussion, should be fixed so as to give each side a chance of being prepared with documents, &c., in support of any points raised.

Tsai asked if questions other than those referred to in the note would be discussed, and was told that in all probability there would.

The question of the leking (li chuan) war tax was alluded to, and Tsai, in reply to an observation by Mr. Fraser, who pointed out the pernicious influence of such taxes, stated that the Yamên was perfectly aware that it was injurious both to Chinese and British interests, and that as the war in the south-east of China was now at an end, it had been the intention of the Yamên to suggest that the tax should be abolished, but that the sudden appearance of the Nienfei in Chihli, entailing great expense, had rendered this impossible for the present. He stated, that as soon as the high officers now commanding armies in Chihli had quelled the rebellion and returned to their several jurisdictions, the Tsung-li Yamên would take measures to induce them to memorialize the Throne, and to pray for the abolition of the war tax. The Yamên could not do this itself, the question being one not lying within its province.

He accounted for the origin of the war tax by stating, that as some of the richest cities in China, particularizing Nanking, Soo-chow, and Hang-chow, had been destroyed by the Tae-pings, and numbers of what had been wealthy districts so devastated that it was impossible to levy the accustomed land tax, the Government had no choice but to

invent such a tax as the leking. He said the system of loans, prevalent in Western countries, would not work in China, where there are few great capitalists, and fewer still who would be willing to lend money to the Government. Howqua's loans during the Canton war, he said, have not been fully repaid.

The first article of Sir R. Alcock's concluding paragraph, on which he stated some explanation would be required, as its bearings were not quite understood at the Yamên, was fixed for discussion on the next meeting, which it was agreed should take place as soon as the sick Secretary, who has to-day been granted five days' leave, should be able to attend.

Mr. Fraser and Mr. Hart pressed upon Tsai the necessity of a full meeting of those appointed by the Prince and Ministers.

In the course of general conversation, partly before and partly after the discussion of the foregoing points, Tsai asked if anything had been heard from England as to the revision of the Treaty. He was told that as yet nothing had been heard.

He said there was one statement in the note with which the Yamên could not agree, viz., that to the leking tax are attributable all the losses which have befallen British merchants of late years. Mr. Fraser said that to this and such taxes these losses are attributable, and referred to the frequency of complaints from British merchants of illegal exactions in the interior. Tsai replied that if individual cases could be proved during the approaching discussion (hinting at the same time that clear and accurate proof would be required), the Mandarins in question would be punished, and notifications sent to the high provincial authorities on the subject.

Mr. Fraser informed him that a mass of papers on various subjects would have to be consulted, and hoped that the evidence elicited would enable the two Governments to discover the causes of the evils that lead to such complaints. Tsai concurred, observing that ten years' experience of the working of the Treaty ought to enable them to take such precautions for the future as would make the danger of loss to merchants of either country less probable.

The question of bonded warehouses was briefly discussed: Tsai stating that the scheme was perfectly practicable. Questions as to whether these should be constructed at public or private expense, as to insurance of goods, warehouse charges, &c., were suggested by the Commissioners as topics for future discussion.

Mr. Hart observed that the rate of duties is so low in China (only 5 per cent.), that few merchants, if any, would take advantage of the bonded system if inaugurated.

(Signed) J. G. MURRAY.

Inclosure 3 in No. 76.

Memorandum by Sir R. Alcock respecting Transit Dues.

March 6, 1868.

IN reference to what passed at the first meeting of the Commission, and the practical means of putting a stop to all leking and other taxes on foreign trade—first at the ports, and, secondly, in the interior, the following questions must receive a solution:—

1. What is to be accepted as the definition of "foreign trade," in connection with the Treaty clauses governing the levy of transit dues?

2. What have the Chinese the absolute, that is, the unlimited, right to tax? And what only a conditional right, limited by Treaty?

3. How can the Chinese exercise the first right without infringing the second?

1. How to define foreign trade as regarded by Treaty?

By Article XXXVIII, are exempted from all but a fixed commutation transit tax of 2 per cent. British imports on their way into the interior. Produce on its way to the foreign market (the ports). All merchandize imported or exported by British subjects, further reaffirmed in Rule 7, "Produce purchased by a British subject in the interior."

The "foreign trade," as defined therefore by Treaty, in regard to exemption from all but a fixed transit duty of 2 per cent., is perfectly clear.

2. The Chinese have, as regards foreign Treaties, the absolute, that is, unlimited, right to tax, as they see fit, no British imports on their way into the interior, no Chinese produce on its way to the foreign market, because its destination should be sufficient evidence of the foreign interest in it, either as purchased or to be purchased; it is no part of the native trade for native consumption.

This unlimited right, therefore, extends only over Chinese produce not destined for

exportation by foreigners. Perhaps, practically, they should be further defined to mean only Chinese produce, in which foreigners have by purchase acquired a *bonâ fide* interest; but that is matter for consideration, and is a limitation of the privilege conceded by Treaty.

3. In reference to the question, How can they exercise this absolute right to tax their own produce and subjects, and yet keep clear of that portion destined for exportation by foreigners in which their right of unlimited taxation has been given up,—this can only be effected, it would seem, in one of two ways: either by exempting all Chinese produce on its way to the Treaty ports, under sufficient bond or security that it shall be so actually delivered, which would be the most complete and satisfactory; or proof of purchase by a foreigner, which would be the principle of the transit-certificate system. This broke down partly through defective administration and organization on the part of the provincial and port officials, the absence of checks and systematic communication between them, partly by the rapacity and bad faith manifested on both sides by the Chinese officials and by the foreigners, each equally regardless of Treaty regulations or rules, when they saw their own interests in avoiding them.

Practically I look to two modes chiefly for a satisfactory solution:—

1. The official declaration by decree of the exemption of all foreign goods and Chinese produce proceeding to a Treaty port for shipment, on the payment of a $2\frac{1}{2}$ per cent. duty (to be assigned to the provincial treasuries *pro rata*, through the territories of which goods or produce pass to their termini).

2. The privilege of navigating the inland waters with foreign-owned vessels to and from the chief points.

And these two measures combined, the one being as effectual as the other to a perfect success. A conditional and limited right of residence in the interior may possibly be also necessary as a third condition.

(Signed) RUTHERFORD ALCOCK.

Inclosure 4 in No. 76.

Memorandum of Claims to Exemption from Duty on "Ship's Stores" and "House Stores," and Petition of the Amoy Dock Company, for reference to Commission.

March 6, 1868.

IN 1867, during my visit to Shanghae, a representation was made to me by the merchants and storekeepers contending for a right of exemption, under Tariff Rule 2, from all duty for "household stores," under which head they conceived should be classed all articles destined for foreigners' consumption, and not for sale to Chinese.

A similar representation was made at Amoy, on behalf of the Dock Company, claiming, under the head of "ship stores," all dock materials and stores imported by it for use in repairing foreign vessels, as duty-free under the same rule.

As a question of Treaty right, all that can be said is, both "household stores" and "ship stores," together with a long list of articles only or chiefly adapted to foreigners' wants, are made duty-free; and the inference would seem fairly to be that the object of the Contracting Parties was to exempt all articles imported for foreign consumption, and not for sale as merchandize to the natives.

If the Chinese Government be willing, as I would recommend, to admit this principle for the interpretation of the Tariff Rule for duty-free goods, as one involving no serious loss to the revenue, and removing constant sources of dispute and complaint about what constitutes "ships' stores" and "household stores," as well as diversity of ruling at different ports, it would be for the Commission to settle the form under which the principle might take effect without prejudice to the other rights of the customs on foreign imports, whether by licensing dock companies and storekeepers, and requiring security bonds or other means to guard against abuses. But it is very desirable that an early decision should be arrived at, on which the Inspector-General of Customs may be authorized to act.

(Signed) RUTHERFORD ALCOCK.

Inclosure 5 in No. 76.

Note on the Second Meeting of the Mixed Commission, April 30, 1868.

Present:—Hsai, Tsai, Mr. Hart, Messrs. Fraser and Adkins.

AT the beginning of the conversation an explanation was asked of the first point of Sir R. Alcock's proposal, and whether the payment of the transit duty was intended to supersede the payment of import duty. It was explained to them that on the contrary no concession was asked on the first point beyond what was already a treaty right—that a plan was required that should make any breach of such right impossible, and that breaches had continually and systematically occurred hitherto through the inefficiency of the machinery provided to defend it. The Chinese representatives then said that the Imperial Government was prepared to cause the repayment of any claim, resting upon satisfactory proofs, of overcharge of transit duties. It was replied that no reference was made in detail to past claims, the question being now to provide against the recurrence of such overcharge for the future, and the first proposal to this end was the abolition of all taxes whatever upon foreign produce, or Chinese produce, within a radius of thirty li of the Custom-house at the Treaty port.

This proposal was favourably received and will be laid before the Minister.

A general permission to navigate inland waters was then proposed as essential to avoid dues in excess of the Treaty. A general permission, the Chinese representatives said, they could not bring before the Minister; but upon specific information of the places to which access is required, and the waters to be navigated, this question also should be laid before the Minister.

They objected to any portion of the transit dues being paid into the provincial treasuries, which they said already received too much of it.

The Commission is to meet again to-morrow, April 21st, when some information as to inland navigation will be required from the English representatives.

Possibly also with reference to changes in the Tariff.

(Signed) H. FRASER.

Inclosure 6 in No. 76.

Memorandum for the British Commissioner respecting Changes in Tariff and Transit Dues.

April 21, 1868.

Changes in Tariff.—THE principal changes required are specified in the Appendix to the Shanghae Memorial and that from Amoy.

There is reason to believe in addition that an injurious monopoly exists at Amoy in iron, and in Formosa in camphor, both in violation of Treaty stipulations.

It is complained that the value of 15 taels as a maximum for tea-dust is too high; but I do not myself see what injury results, since it is not intended to include anything but tea-dust, and not the lower classes of tea, much of which may not be worth so much as 15 taels. The half duty is still too high perhaps for an article not worth more than 5 taels. The Amoy Dock Company and the Shanghae storekeepers both seek relief under the Article of the Treaty which enumerates as free of duty all ship and house stores. In connection with the tariff and the levy of duties is the question of coast-trade dues, which it is contended are not justified by Treaty. Chinese produce, it is alleged, pays two duties, the export duty at the port of shipment, and the trade duty at the port of import, and the latter it is urged should be abolished.

But the answer to this is, that the coast-trade is not a Treaty right at all, and when conceded—subsequently it was accepted, on conditions more favourable to foreign vessels than to native craft—which was an excess of liberality that could neither have been claimed nor expected, except under the very exceptional circumstances which led to it. Native junks pay both export and import duties, but foreign vessels pay only half the import which is the highest of the two, the export duty being always low, because it is assumed the produce must be abundant or it would not be exported.

In reference to the whole question of transit dues, and the necessity of organizing a better system, it is impossible, in its consideration, to entirely separate several apparently distinct and different things; yet they do all so interlock and tell upon each other, that they must be taken together.

The two abuses to be corrected are: first, the levy of leking taxes within the ports;

secondly, the arbitrary and unauthorized levy of duties of various kinds on goods in transit through the interior to and from the port.

What the British Government claims as its right under Treaty has been distinctly stated in the Memorial of March 6, No. 2, and devoted to this subject.

To obtain adequate security from undue charges, which is, in a word, what they claim, it is essential there should be a total abolition of all taxes other than the Maritime Customs are entitled to levy within the port, the limits of which should extend over a radius of thirty li.

Secondly. The employment of adequate means of communication, and an improved system of transport. To secure this there must be a right of inland navigation in all the water-ways leading from the coast to the principal markets in the interior for the consumption of foreign goods, and those leading from the great tea and silk-growing districts to the coast.

Lastly, a right of residence, under certain conditions, anywhere on these routes, or at the inland termini.

The specification of these termini, and the routes between them and the coast, must be fixed upon information by the Commission. But generally it may be said that the navigation of the river above Hankow, the waters of the Poyang Lake to the end, and the river above Canton, must be among the principal water routes. The Shanghae Chamber of Commerce has since specified Soo-chow, Nanzing, Haining, and Taiping, in the province of Kiang-si, and Hang-chow, Hoo-chow, and Hwuy-chow, in the province of Chekiang. The Chinese members of the Commission to be asked for any information on these points, especially what are the great centres of production in tea and silk in the different provinces? What the principal markets for the consumption of foreign manufactures? To get at each of these, and carry goods, native and foreign, without delays, obstructions, or imposition of taxes, with facilities for buying and selling at each, and consequently of residing at or near the places, are the things required to free trade from its present injurious conditions and restrictions.

(Signed) H. FRASER.

Inclosure 7 in No. 76.

Note on the Third Meeting of the Commission, April 21, 1868.

Present:—All the Members.

IN the first place it was asked whether the Chinese Representatives had any instructions from the Ministers upon the point it was agreed to refer to them, viz., the abolition of all dues on foreign goods and produce for exportation, within a radius of thirty li from the Custom-house at the Treaty port. They replied that no decision could be arrived at until a general meeting of Ministers, some of whom were still engaged in examinations. The question of setting apart a portion of the $2\frac{1}{2}$ per cent. transit duty for the advantage of the Provincial Treasuries was then returned to, and the Chinese Representatives finally agreed to refer to to the Ministers a proposal that sums received on account of transit dues should be divided amongst the Treasuries of the different provinces through which the goods might pass.

The third point was then discussed. The Chinese Representatives required specific information of the pieces of water to be navigated, and the particular places to which access was required. Three points were then mentioned:—the rivers above Hankow, the Poyang Lake, and the North, East, and South Rivers of Canton. They were told that important marts in the interior and producing districts would have to be visited, and that British subjects would require to have access to them in their own vessels. They asked if we should be prepared with details on this head at the next meeting, and were answered that we should not receive them probably until later.

They were then told that the merchants availing themselves of this right of navigation would also require to be allowed to own depôts and warehouses, at stations upon their way, where they might store their goods and produce as well as at the marts or producing districts to which they might wish to proceed. It was proposed that this should be done under sufficient bond and license from the Consul at the nearest Treaty port; and that, if necessary, the number of warehouses might be limited, and their use restricted to purposes of deposit, not buying and selling; and it was pointed out that, after all, this was merely an amplification of the Passport clause, and that in the event of such a concession care would be taken to obviate as far as possible, the influx of undesirable people.

A number of points on the Yang-tsze were then indicated, at which it might be desirable to establish landing-places for goods and passengers; and it was suggested that the ports of Wan-chow, Tai-chow, and Chin-chow might be opened with advantage to trade, and that such opening would tend materially to the suppression of piracy.

It was finally agreed that all these points should be referred, although objection was raised upon each in turn. To the navigation, on the ground of rapids, shallow water, danger from steamers overrunning native craft, &c. All these obstacles, it was replied, might be overcome by regulations as to the size and draught of steamers, hours of starting, prohibition, if necessary, to travel by night, &c.; and these explanations were received with some acquiescence, or rather suffered to pass without objection. To the stages on the river, on the ground of keeping up a staff of Custom officials, injury to the inland trade of native merchants, &c. It was finally conceded that vessels permitted to use these landing-places, or stages, should purchase a license to do so and be registered.

To the proposal to open the three ports, no observation was made, except that it had not formed part of Sir R. Alcock's five points.

Inland residence was evidently the concession most difficult to entertain, but it was finally agreed to refer it in the form above described.

The Commission will meet on Tuesday next, April 28th, to discuss alterations in the Tariff.

April 22, 1868. (Signed) HUGH FRASER.

Inclosure 8 in No. 76.

Instructions by Sir R. Alcock for British Commissioners.

April 26, 1868.

THE principal object of the Treaty of Tien-tsin, as the Shanghae Chamber of Commerce has truly remarked, was to enable the merchants to send their goods for sale among the natives of the country without restriction or limitation. In other words, "the penetration of foreign goods throughout the interior, and the purchase, by foreigners, of China produce at the places of growth." As the first and most essential condition of success in the development of this trade, entire immunity from taxation of every kind after payment of certain fixed dues, import, export, and transit, was stipulated under Article XXVIII.

Any taxation or charges other than these, or any restrictions not essential to the prevention of abuses in the fair working of this clause of the Treaty, and compatible with the full enjoyment of the right it gives, are necessarily excluded as subversive of the main object, and a violation of the principle of freedom on which all the rest depends.

In practice neither the one nor the other has been respected by the Chinese authorities in the provinces. The principle has been persistently violated by the greatest license in levying taxes under various heads, as well as the multiplication of vexatious and unauthorized restrictions on the free circulation of goods or produce, and the object has thus been defeated for which alone, it may be said, the last war was entered into, and a new Treaty framed.

The means have now to be found, be they many or few, simple or complicated, by which these abuses may be remedied, and the Treaty carried out in its integrity. The freedom from provincial taxation, obstructions and restrictions, for which the Treaty stipulates, must be secured, or the whole Treaty is a failure, and of no practical value to the merchant. The whole question is here. The object is plain and simple. The means of securing its attainment can alone offer matter for discussion. Unrestricted trade with his subjects and the country which the Emperor conceded in principle, but has failed to secure in practice, is demanded as a right and required as a necessity; for foreign trade at this day, now ten years since the signature of the Treaty, is virtually limited to the ports, owing to the non-execution, for which the Chinese Government is responsible. There is the less excuse for this, because this right and its free enjoyment in the fullest sense is not a source of injury, either to the Chinese Ruler or the nation, but a benefit. Commerce freed from existing fetters and obstructions would bring increased wealth to the nation and revenue to the State. But even were this open to dispute, which it is not, the practical enjoyment of the right established by Treaty is a necessity of the times, and cannot be deferred or avoided. Without it there can be no solid or permanent basis for satisfactory or friendly relatons between the two countries. The free navigation of the

inland waters leading to and from the great producing districts and centres of inland trade by foreign-built vessels, and a right of residence in the interior for purposes of trade, are now insisted on as they have not been hitherto; but this is because a ten years' experience has shown to demonstration the futility of all efforts to develope trade or extend it to the interior without these safeguards and facilities. They are so manifestly necessary to the fruition of the advantages contemplated by the Treaty, and expressly stipulated for, that it is not necessary to enter into any argument as to the exact interpretation of Articles IX and XII, which were intended to secure the freedom of transit and of trade in the interior. The concession of a right carries with it all the conditions essential to its enjoyment.

It may, however, be added that even the English text may be strained by other Powers, as it has by the merchants of all nations already, if not by Her Majesty's Government, thus far to justify the demand, and they may be less disposed than Her Majesty's Representative to make it a subject of amicable arrangement with every possible provision for the security of the Chinese authorities and people, and the prevention of abuses on the part of foreigners.

If these are discussed at once and settled, a satisfactory result may be secured, and the door will probably be shut to any future and less reasonable demands to the same end; and by this the Government of China has undoubtedly much to gain.

As regards both these privileges, inland navigation and right of residence in the interior, let it not be overlooked that they actually exist in principle and in practice at the present moment, and under conditions infinitely less favourable to the Chinese Government and people than those by which it is now proposed their enjoyment should be limited, namely, by regulations to be mutually agreed upon.

The freedom to travel in the interior with passports: what is this but to open the interior to foreigners of all classes, and to many less likely to be conciliatory and prudent under all circumstances than merchants whose interests are deeply engaged?

The right to reside in the interior conceded to missionaries: what is this more than the merchants require for the peaceable pursuit of their occupations? Of the two, the merchant is probably the safer tenant of a fixed location in the interior. He is bound by the interests of his trade to keep the peace, apart from all surveillance or exercise of authority over him; because, only under such conditions can the commerce in which he is engaged prosper. The missionary has other objects above all restraint from his own personal interests, and the teaching of a creed and introduction of a new religion have always been held to be more dangerous to the public peace and more likely to bring the teachers and their converts in conflict with the civil power than the occupations of the merchant.

Having, then, already accepted the greater, would it be wise in the Government to refuse the lesser, and less hazardous venture, in the interests of peace? Inland facilities for the transport of goods, and their disposal or purchase at the first markets, cannot be refused to the merchants. It only remains to consider under what regulations the inconveniences attending the traffic and passage of foreigners may be reduced to the smallest proportions compatible with the main object.

(Signed) RUTHERFORD ALCOCK.

Inclosure 9 in No. 76.

Instructions by Sir R. Alcock to British Commissioners on Modification of Tariff.

April 27, 1868.

THE principal articles on which reduction is required or relief from monopolies asked as a right, as well as certain goods duty free, will be found specified in considerable detail in the Memorials, more especially those from Shanghae, Foo-chow, and Amoy.

Coal, tea, silk, black and white pepper, watches, tin-plates, rice, are among the articles for which a reduction of duty is sought.

In reference to coal, see paragraph 25 in the Hong Kong Memorial for an argument against all imposts, the present rates tending to prohibit the carriage by sea in foreign bottoms from one port to another, of the produce of the Chinese coal-fields.

The Foo-chow Memorial, also for a reduction of tea, declaring it to be on an average 10 per cent.

The Amoy Memorial claims reduction on tea as being not less than 35 per cent. on common Ankoi teas, also on cottons and woollens.

Camphor, salt, iron, at Amoy, are reported as more or less monopolies, relief from which is sought.

As regards salt, the British Minister has already been in communication with the Yamên; and although at that time it was not thought expedient to make any change in the Government monopoly, the subject is of sufficient importance in its bearing on the foreign trade and the Chinese revenue to make a further consideration of the question by the Commission desirable.

Principally, under two aspects, it should be considered:—

The possibility of greatly adding to the revenue at present derived by the State from the salt monopoly as it exists, if foreign salt were admitted under somewhat similar conditions as opium and saltpetre, only saleable to parties licensed by the Chinese Government, or on payment of a duty equal to the cost of native salt.

Secondly, of greatly benefiting the Chinese consumer by supplying him with one of the necessaries of life most largely in demand: with an article better in quality and lower in cost than the native produce.

If both these ends could be secured, the Chinese Government might the more readily face any difficulties attending the more or less gradual closing of their own salt manufactories in this country, and providing employment or the means of living for those now engaged in it.

Articles imported for foreign use only were certainly intended to be duty free. Ships' stores and household stores come under this category mainly. To consider whether they may not be at once declared free without any serious loss to the revenue, and whether for the protection of the latter any conditions or limitations should be attached.

On the subject generally of a reduction of Tariff, the principle referred to in the Memorial of the Shanghae Chamber may be fairly taken as a guide. Whatever tends to lessen the cost of an article of necessity, is a gain to both nations; and any reduction, therefore, that can be shown to be politically expedient, and without injury to the revenue, should without difficulty be adopted.

(Signed) RUTHERFORD ALCOCK.

Inclosure 10 in No. 76.

Minute of Fourth Meeting of the Commission, April 27, 1868.

Present:—Hsai, Chung, Mr. Hart, and the British Members.

SIR R. ALCOCK'S Memorandum, dated April 26, was read to the Chinese Members of the Commission, who replied that the points therein laid down had been already explained to them in former meetings, and requested to be permitted to keep the Chinese translation, which was consequently left in their hands. They also said that there were doubtless cases of foreign merchants' complaints in which the local magistrates were to blame, but there were also others in which such was not the case.

It was then proposed, with reference to the proposal, that none but maritime duties should be levied within the limits of the port, that foreign goods imported in Chinese junks, should be subject to the same duty as when imported in foreign vessels, and consequently that such importations should be reported to the Imperial Customs.

The camphor monopoly at Tamsuy was then brought forward and described as the XIVth Article of the French Treaty pointed out. The Chinese Commissioners acknowledged the reception of correspondence from Sir R. Alcock on this subject, and defended it on the ground of camphor being Government property, and the risk of difficulties arising from collision between foreigners and the native savages. Also that comphor was an article of no value to foreigners. These arguments were met with answers to the effect that originally camphor had been bought of the native "headmen" who collected it, that it was a sufficiently important article of commerce, and that the monopoly was a direct breach of the Article quoted, which we invoked under the favoured-nation clause. This view they agreed to refer to the Ministers.

Finally also it was decided that the following propositions should be referred:—

1. In addition to the second Tariff Rule, providing that household stores and ship's stores should not pay duty, it should be allowed that all articles destined for foreign consumption exclusively, and not for sale to Chinese, shall be duty free.

Under the head of ship's stores should be classed all stores used in docks for the repair of foreign ships and stores used exclusively in the dock establishment.

The importation of these to be limited to Dock Companies under a license, and a sufficient bond not to lend their names and not to import for sale to Chinese.

The same course to be followed for storekeepers with regard to household stores.

2. Guano and manure to be imported free of duty.

3. Salt.

The Chinese Commissioner acknowledged the receipt of despatches from Sir R. Alcock upon this subject. The course adopted with regard to the Indian salt monopoly was described, and the result arrived at in 1866; and it was asked that salt should be allowed to be imported for sale to the licensed salt merchants. Much objection was raised on account of the extent of the revenue raised upon salt, as well as of the local Mandarin interests involved. Finally it was agreed to refer this proposition, with the condition that the duty upon foreign salt should equal the prime cost of Chinese salt, in order to bring the Emperor's interest in it to a par with his interest in the Chinese. It was also said that the supply was already in excess of the demand.

The Commission will meet at 2 P.M. to-morrow to proceed with amendments in the Tariff.

(Signed) HUGH FRASER.

Inclosure 11 in No. 76.

Memorandum by Sir R. Alcock.

April 28, 1868.

IF bonded warehouses are established there is no further need of discussion about either limit of drawback or mode of repayment. Observe that what the merchants want is a system in connection with their own godowns. See Mr. Henderson's letter from Tien-tsin and reply of Shanghae Chamber of Commerce.

It is a question whether tea and coal might not both be exempt from coast duty without serious detriment to any revenue, and with great relief and advantage to the merchants.

If the proposition of the Hankow Memorialists respecting payment of duties—drawbacks, bonds for coast trade duty, and coaat trade duties generally—cannot be acceded to, it is very desirable that Mr. Hart should specify the reasons on behalf of the Commission, or supply a short Minute that could be used.

(Signed) RUTHERFORD ALCOCK.

Inclosure 12 in No. 76.

Minute of the Fifth Meeting of the Commission, April 28, 1868.

Present:—Hsia, Chung, Mr. Hart, and the British Members.

Proposal 1.—That foreign grain, landed and stored, be permitted to be re-exported, free of duty. Referred without objection and advocated by Hart.

2. *Coals.*—(1.) That foreign coal imported for the use of foreign war and merchant steamers be free of duty. Also referred and recommended by Hart.

(2.) That the duty on native coal be reduced. Referred, but strongly objected to by the Inspector-General of Customs on the ground that, in general, with the existing duty, the cost of native coal is not so high as that of foreign coal.

(3.) That coal be exempted from coast trade duty. Also objected to on the same grounds, but referred.

3. *Tea.*—An *ad valorem* duty of 5 per cent., proposed on the ground of inequality of the value of teas produced and exported from different ports. Objected to as affording room for disputes difficult of adjustment between exporters and Customs valuers, the market value of tea perpetually fluctuating.

Tea dust was not touched, it being explained to be an article of internal and local native consumption, and only trafficked in to a very small extent.

4. *Watches.*—An uniform duty of 5 per cent. proposed. Objected to as causing difficulty in assessing the value, and not likely to benefit importers to any great extent. It was shown, however, that clocks are admitted upon this arrangement.

5. *White and Black Pepper.*—To be reduced from 5 mace to 4 mace, and from 3 mace 6 candarines to 2 mace. Referred without objection.

6. *Tin Plates.*—4 mace a picul to be reduced to 2. Referred without much observation.

The Hankow suggestions with regard to payment of duties, coast trade duty on tea, and collection of the coast trade duty at the port of destination, were then brought forward. On the first head it was promised that an attempt should be made at each port to fix the amount to be paid in the currency of the place as compared with the established standard.

The system of bonds for the coast trade duty on tea was defended on the ground of its being necessary for the satisfaction of the local native superintendents, and as being as little open to objection as any system that could be introduced.

A merchant applying for a permit to ship tea to another Treaty port pays no coast trade duty, but gives a bond that the tea shall be imported from China within a year; failing this, the half-duty for coast trade is levied.

The proposal to pay coast trade dues at the ports of destination would benefit shippers, but greatly incommode steam-vessels in unloading, as well as the Customs. Whereas by the present arrangement, all charges being paid at the port of shipment, the vessels are free to discharge their cargo on arrival without impediment.

The objections will be fully stated when reply is made by Chinese Ministers.

The Commission will meet to-morrow at 2 P. M. to discuss the permission to work coal mines, bonded warehouses, timber duties, &c.

(Signed) HUGH FRASER.

Inclosure 13 in No. 76.

Note on the Sixth Meeting of the Commission, April 29, 1868.

Present:—Ma, Hsai, Mr. Hart, and the British Members.

1st Proposal by the British Members.—That woollen and cotton goods generally be reduced to 2½ per cent. to enable them to compete with the Russian goods brought in overland. Referred to the Yamên by the Chinese members.

2. *Timber.*—That a conference be held at Shanghae between Her Majesty's Consul, assisted by the Chambers of Commerce, and the Commissioners of Customs, to arrange an equitable Tariff on Timber, on a basis of 5 per cent. *ad valorem* duty. Referred.

3. *Coal.*—Sir Rutherford's reply to Mr. Hart's objections to the proposals made yesterday with regard to native coal was stated, and it then appeared that this proposal had been received in the form of a demand for a total exemption from duty. It was explained that a reduction was merely desired, together with an exemption from coast trade duty. Referred.

It was then stated by the British members that, in consequence of the large number of steamers running on the coast, it was important to provide for a sufficient supply of coals at a moderate price. This could not be done by opening native sources. The Chinese members were reminded of Sir R. Alcock's note to Prince Kung, pressing the construction of an available road from Tung-chow to the coal mines at Chai-tang. They were told that coal-fields had been discovered near the Yang-tsze, in a place available for the foreign steam-ships; and it was requested that the Tsung-li Yamên should instruct the high Provincial authorities to place no obstacles in the way of the working of the mines by foreigners and foreign agencies, under regulations. Permission for the working of the coal-mines at Chai-tang by foreigners was also requested, and that an available road should be made from thence to Tung-chow.

The Chinese replied that the request for permission to work the mines in both places would be referred, the necessity for regulation in such affairs being dwelt upon; and that the road was already under consideration, the magistrates through whose districts it would pass having been ordered to survey and report upon its best direction.

4. *Bonded Warehouses.*—The proposal that a system of bonded warehouses be established, either by government warehouses, or permission to merchants to bond goods in their own godowns, was brought forward, and it was stated that this principle was recognized and acted upon in the case of the opium hulks at Shanghae. Hsia then asked whether goods stored in a bonded warehouse were insured by the Government or by the merchants, and it was replied that the goods would be insured by their owners, but that the Government would insure its own buildings. The Inspector-General of Customs then said that the supervision of a number of separate private bonded warehouses in scattered localities would require a staff of Customs officers larger than they could undertake to provide; whilst, in order to make a system of warehouses, the property of Government, in

any degree remunerative, it would be necessary that all imported goods should enter and pay rents. It was also objected that there are no importations, except opium, upon which a sufficiently high duty is charged, to make such a system profitable to the importers. Referred.

5. *Drawbacks.*—It was requested, 1st, that these might be paid in silver. This was acceded to, but explained to depend upon the settlement of the standard of payments in local currency. 2nd. That there should be no limitation of the time within which drawbacks for duty on re-exported goods should be received. To this the Inspector-General proposes a three years' limit. Referred on both sides.

The Commission will meet on Saturday, May 2nd, when the British Members will bring forward the proposals already verbally made, in writing, to be compared with the notes taken by the Chinese Members for reference to the Yamên.

(Signed) HUGH FRASER.

Inclosure 14 in No. 76.

Instructions by Sir R. Alcock to British Commissioners respecting Mixed Courts.

May 1, 1868.

THE Constitution of Mixed Courts for the adjudication of all matters in dispute between Chinese and foreigners in civil cases was referred to by the British Minister in the note communicated to the Yamên proposing the Commission, as demanding consideration, but it was not formally included in the five subjects specified for reference to them.

It seems desirable, however, that some further steps should be taken in this direction to bring the subject before the Commission.

In the meantime, the appointment of a Tung-chi, with special powers and jurisdiction, at Shanghae, together with certain rules for his government in discharging the functions pertaining to his office, are at present before the Tsungli Yamên for final approval; and as there only remains to complete the work the adoption of some common basis of adjudication, in other words, a code of mercantile law which can be accepted by Chinese and foreign Judges alike, as founded on broad and universally recognized principles of equity, and a fixed mode of procedure by rules of practice for the Court, to be in like manner established by common consent and the concurrent action of Chinese and foreign authorities, the British Commissioner is instructed to advise the Commission of the British Minister's intention to communicate immediately with His Imperial Highness the Prince of Kung, for the purpose of obtaining the Tsung-li Yamên's sanction to bring the whole subject of Mixed Courts before the Commission, that the practicability of framing such Code of Mercantile Law and Rules of Practice may be discussed and maturely considered.

(Signed) RUTHERFORD ALCOCK.

Inclosure 15 in No. 76.

Minute of the Seventh Meeting of the Commission, May 4, 1868.

Present:—Hsia, Mr. Hart, Mr. Fraser, Mr. Adkins.

THE Memoranda of questions discussed, proposed by either side, were compared and found to agree in all important particulars. There were phraseological differences, and certain addenda in the Protocol of the British Commissioners were not included in that of the Chinese.

The Chinese members of the Commission intimated that at the next meeting they would be prepared to state what modifications, additions, and rejections, their side had to propose.

They expressed satisfaction at the suggestion of a common Mercantile Code, and intimated that the establishment of such a Code would supply a great want. They professed to think that the question of exterritoriality, alluded to by Sir R. Alcock in his suggestion of a concurrent jurisdiction over such foreigners as may side in the interior, could be discussed at the same time.

Early next week the Commission will meet again to receive the proposals to be raised by the Chinese.

(Signed) HUGH FRASER.

Inclosure 16 in No. 76.

Draft of Proposals made to the Tsung-li Yamên with reference to a Revision of the Treaty of Tien-tsin, April 30, 1868.

I.—*Leking Taxes and Inland Transit.*

1. REPAYMENT shall be made in all clearly established cases of exaction, whether by the illegal levy of extra transit dues or taxes upon foreign goods at the ports.

2. That no levy of taxes whatever be permitted, whether upon foreign goods or Chinese produce forming a part of foreign export trade, within a radius of thirty li from the Custom-house at the Treaty port.

3. To take into consideration whether sums received on account of transit dues might not be divided amongst the treasuries of the different provinces through which the goods may pass, with advantage, as tending to give the provincial authorities a direct interest in the prosperity and increase of foreign trade.

II.—*Tariff.*

Imports.

1. In addition to the second Tariff Rule, providing that "household stores" and "ship's stores" shall not pay duty, it shall be allowed that all articles destined for foreign consumption exclusively, and not for sale to Chinese, shall be duty free.

Under the head of "ship's stores" shall be classed all stores used in docks for the repair of foreign ships, and stores and machinery used exclusively in the dock establishments.

The importation of these to be limited to dock companies under a license, and a sufficient bond not to lend their names, and not to import for sale to Chinese.

The same course to be followed for storekeepers with regard to "household stores."

2. Guano and manure shall be free of duty.

3. Foreign coal shall be free of duty.

4. Woollen and cotton goods shall be reduced to a standard of $2\frac{1}{2}$ per cent. *ad valorem*.

5. Watches shall pay a duty of 5 per cent. *ad valorem*, as clocks now do.

6. White pepper shall pay 4 mace, and black pepper 2 mace, per picul.

7. Tin-plates shall pay 2 mace per picul.

8. A Conference shall be held at Shanghae between Her Majesty's Consul, assisted by the Chamber of Commerce and the Commissioner of Customs, to arrange an equitable Tariff of timber duties, on a basis of 5 per cent. *ad valorem*.

9. Foreign salt shall be allowed to be imported under special provisions to secure the Chinese Government from loss by the competition with native produce.

N.B.—10 retracted, on the refusal of the 30-li radius, to which it had reference.

10. Foreign goods imported in Chinese junks shall be subject to the same duties as those imported in foreign vessels; and to effect this, such importations shall be placed under the supervision of the Foreign Maritime Customs.

11. Foreign grain, landed and stored, shall be re-exported free of duty.

Exports.

12. Tea shall be taxed at an *ad valorem* duty of 5 per cent.

13. The duty upon native coal shall be reduced.

14. Coal shall be exempt from coast-trade duty.

Payment of duties.

15. At each port shall be fixed the amount to be paid as Custom's duties, in the currency of the place, as compared with the established standard.

Assimilation of currencies.

16. Government assayers shall be appointed to assimilate the currency of the open ports.

Drawbacks.

17. Drawbacks for duty on goods re-exported shall be made payable in silver on presentation at the Government Banks.

18. No limitation shall be placed upon the time during which duty will be returned upon re-exported goods.

III.—*Facilities for Transport, &c.*

Inland navigation.

1. British merchants shall have a recognized right to have unimpeded access, and carry their articles of commerce, whether foreign goods or Chinese produce in which they have a *bonâ fide* interest, in their own vessels, whether propelled by oars, sails, or steam, through the interior, to and from specified marts and producing districts, under Customs' passes and regulations to be agreed upon between Her Majesty's Minister and the Tsungli Yamên.

[2. The places and districts to which access is required shall be specified; three points being already mentioned: the Yang-tsze River above Hankow, the Poyang Lake, and the North, East, and South Rivers of Canton.]

3. British merchants availing themselves of this right of navigation shall be permitted to own warehouses at points where the convenience of their commerce may require them; and, for this purpose, a license shall be given by the Consul at the nearest Treaty port, who shall exercise due circumspection in the issue of such license, and have the power to cancel it. **Inland residence.**

4. Such foreign employés as may be required for the supervision of these warehouses shall be permitted to reside in them, and suffer no molestation in their occupation from officials or people.

5. To prevent possible inconvenience from the operation of the exterritorial clause, there shall be a Consular Agent at certain central points to be hereafter determined; and, whatever his nationality, he will be empowered, by the concurrence of all the Treaty Powers, to take cognizance of all misconduct or infringement of Treaty on the part of foreigners.

IV.—*Landing-Places in the Yang-tsze.*

1. Landing-stages for goods, produce, and passengers, shall be permitted at the following places on the Yang-tsze-kiang, between Hankow and Wusung:—

(1.) Hwang-chow:
(2.) Wusueh:
(3.) Tunglin:
(4.) Nganking:
(5.) Tatung:
(6.) Wuhu:
(7.) Tching:
(8.) Kiangyin:
(9.) Wusung:

besides the open ports of Kin-kiang, Nan-king, and Chin-kiang. The uses of these stages shall be permitted to British vessels, under license and regulations hereafter to be settled by the Yamên and British Minister in concert.

2. The port of Wênchow shall be regularly open to foreign trade. **New Port.**

V.—*Bonded Warehouses.*

1. A system of bonded warehouses shall be established in the open ports, either by Government warehouses or permission to merchants to bond goods in their own godowns wherever a majority of two-thirds of the mercantile community shall represent such arrangements to be desirable.

Supplementary.

It is important to provide, for the large number of steamers now running on the coast, a sufficient supply of coals at a moderate price. This can only be done by opening native sources; and, therefore, with a reference to a despatch already written to the Tsungli Yamên by Sir R. Alcock, the following proposal is added:— **Native coal and coal-mines.**

Permission shall be given by the Chinese Government and high provincial authorities to work certain specified coal-mines by foreign machinery and agencies under regulations.

All monopolies being strictly interdicted by Treaty it is deemed unnecessary to make any further provision on this head. But as certain monopolies have been persevered in, to the great injury of foreign trade, and entailing pecuniary loss upon merchants individually, notable in the articles of camphor at Tamsuy, of rice at Taiwan, and, there is reason to believe, of iron at Amoy, the British Minister deems it advisable that all such attempts at monopoly should be put down and formally prohibited, either by official communication to the high officers of provinces, or by Imperial edict, and that these three should more especially be denounced. **Monopolies.**

Further, as this will not indemnify merchants who have suffered actual losses by such breaches of Treaty engagements, that indemnity should be paid where any clearly-avouched loss can be established.

(Signed) HUGH FRASER.

Inclosure 17 in No. 76.

Minute of a Meeting of the Commission at the Yamên, June 5, 1868, to hear the Reply of the Chinese Government to Sir R. Alcock's Proposals on Revision of the Treaty.

Present:—All the Members, with Sun I, Sun II, Kao.

ON the first point, the abolition of all taxes upon foreign export and import trade within thirty li of the Custom-house, the Chinese Commissioners refused to supplement the system of transit-passes already in force, declaring that nothing better could be invented. It was replied that the scheme had in effect seemed well adapted, but had fallen through by the unwillingness of the local Mandarins to understand and carry it out, and they were asked whether they were prepared to force their officials to do so. They answered: Yes, the passes had failed by the fault of the merchants, and the separation of the goods from the passes; but they were prepared to have issued and published an Imperial Proclamation, setting forth proper penalties for any infraction of the existing Treaty Rules for the taxation of goods forming part of foreign trade. They were asked whether this had not already been done, and said, No; that the inefficiency of the passes had not been represented. They were then told that it had been the duty of the Chinese Government to publish such obligations effectively, and that the proposed Proclamation, if effective now, would have been equally so then.

They were then requested to send a Draft of this Proclamation to Sir R. Alcock; and agreed to do so.

They said that such irregular levies should be at once repaid upon production of proper proofs. When asked what would be held to be proper proof, they said, the production of the tax receipts.

2. The division of the transit dues between the Imperial and Provincial Treasuries was refused, as likely to create confusion in reckoning their accounts, and in any case not calculated to have the effect anticipated.

II.

Household and ships' stores. Agreed to.

2. The second paragraph, referring to importations in junks, was set aside by the wish of the English Commissioner, as having formed part of the proposal of thirty li radius already refused, and having no farther interest on our side.

3. To all proposed reductions of Tariff the Chinese Commissioners agreed, with the exception of that upon tea, which will be the subject of a proposal on their side at the next meeting, but objected to the principle of levying duty *ad valorem*, except in the matter of watches, which may be put on the same footing as clocks.

The importation of salt is absolutely refused.

The free re-exportation of foreign grain is allowed.

The duty on native coal will be reduced, and Mr. Hart consulted as to the extent of the reduction.

The coast-trade duty on coal will at all events be reduced.

III.

The proposals with regard to payment of duties in the silver current at each port, according to an assimilated standard, will be carried out.

Drawbacks will be made payable in silver, but in this case must be limited to one year. This the British Commissioner objected to, and a discussion ensued, as to whether two or three years would suffice. The Chinese, however, held to one year, although apparently Mr. Hart dissented. Finally, the question is left open, the limitation being considered too short on our side.

IV.—*Inland Navigation, &c.*

This question the Chinese opened, by asking what was the nature of the vessels to be employed. It was replied, foreign, or any vessels found convenient, and small steamers. They said that the traffic on the ocean and great river being now in the hands of foreigners, they ought to be satisfied, and leave the navigation of inner waters to the native junkmen. It was explained that it was not intended to demand universal inland navigation, but a permission to the foreigner to transport his own goods and produce to certain places of sale and production in his own vessels; and that this was rendered still more urgent by their

refusal to entertain our proposal for protecting such goods and produce from irregular taxation at the ports.

They replied that the Chinese Government had the strongest objection to inland navigation as a general proposition, but would consider any specific demand upon its individual merits.

The proposal of residence or warehouses in the interior, it was said, would depend upon the decision taken on the question of inland navigation.

It is clear that the Chinese Government is indisposed to accede to any of these proposals.

V.

The number of places mentioned as available for landing-places on the Yang-tsze was objected to; but the Government will place on the same footing as Chin-kiang and Kiu-kiang with regard to foreign trade, establishing Custom-houses there—Ngan-king, Tatung, and Wu-hu—and these are otherwise represented as the only places of consequence mentioned in Mr. Winchester's list.

2. The Port of Wen-chan will be open to foreign trade.

VI.

To bonded warehouses there is no objection. Where the godowns are to be built by the Chinese Government, the storage-fees must be sufficiently high to cover that outlay; and where such are used as are already the property of merchants, they must be all situated together and not scattered—a question to be decided between the several Commissioners of Customs and Chambers of Commerce or mercantile bodies.

VII.

The Chinese Government declare themselves willing to use foreign appliances and foreign workmen in the working of coal-mines, but not to permit foreigners to own and work them themselves. This permission to work mines by foreign appliances and workmen would not be confined to the places mentioned in Sir R. Alcock's proposal, but would be extended to any place in which available coal existed, with one exception, viz., the Western Hills, on account of the vicinity of the Imperial tombs.

They would engage to work mines, producing what coal they could, and allowing foreigners to buy it.

It was then asked whether, in the event of a mine-owner contracting to supply a certain quantity of coal to a foreigner within a certain time, and failing to do so, the mine would be held responsible. They replied, No; they could only undertake to get what coal they could, and sell it.

VIII.—*The Camphor Monopoly in Formosa.*

The Chinese Commissioners began by stating, that the camphor being the property of the Government, the Viceroy was justified in restricting its sale to certain persons. It was pointed out that the Article condemning monopolies made no kind of exception, and that the restriction of an article once of public sale to individuals for a pecuniary consideration could hardly be otherwise looked upon. Finally, the Chinese Commissioners accepted this view, and engaged to stop it.

IX.—*The Mixed Court.*

A Commercial Code will be willingly adopted. They were told that they had but to refer a competent officer to Sir E. Hornby at Shanghae for the consideration of the matter, and informed that a code, such as was required, was already in existence, and had been adopted with success in Turkey.

(Signed) HUGH FRASER.

Inclosure 18 in No. 76.

Memorandum on the Minute of the Meeting of the Mixed Commission of June 5, giving the Replies of the Chinese Government to the British Minister's Propositions for Revision of Tariff, &c., June 13, 1868.

I.—*On the existing System of Transit Passes.*

IT is beyond dispute that something more is wanted to make it effective. At present it does not and cannot work. Exactions continue despite the production of these passes, covering goods properly secured by them; and, independently of the delay and vexatious obstruction caused, it has been found impossible to recover such overcharges, because naturally the petty officers who levy such illegal charges will not sign receipts and furnish evidence against themselves. There are thus, at the present moment, Nanzing claims unrecovered to the amount of 15,000 taels.

There may be some fault on the part of the merchants or their agents, also, in the separation of the goods from the passes, or by the misapplication of the latter to purposes for which they were not intended. But on both sides it is evident the system cannot work without some additional checks or facilities, and hence the proposal to facilitate the foreign merchant's accompanying his goods or transporting them in his own vessels on certain great water-routes in the valley of the Yang-tsze, in connection with the chief silk and tea districts and great commercial centres. It may be well to consider, with a view to meet this object, whether it might not be possible and expedient to adopt certain regulations for the hiring of godowns in the interior, and full liberty to go in foreign-owned passenger or cargo-boats of a proper kind to certain places accessible by water not yet mentioned in the Treaties. Say, for example, Hsiang Yang beyond Hankow on the Yang-tze, the Poyang Lake, and two or three places to be fixed on the north, west, and east branches of the Canton River.

An Imperial Proclamation to the effect described may be very necessary, and calculated to put some check on the abuses complained of, but will not suffice alone to remedy the evil or put an end to grievances of daily recurrence, and which are too grave to be left without redress.

As to the division of the transit-dues between the Imperial and Provincial Treasuries, it must rest with the Chinese Government to adopt or reject the principle. The object of the British Minister in making the proposition was to give the provincial authorities a direct interest in the increase, activity, and development of trade in which foreigners are engaged, and so convert a source of prejudice and obstruction into an agent of friendly purpose.

II.

Importation of foreign goods in Chinese bottoms, and the duty levied upon them, may yet require revision if the thirty-mile radius be adopted; and that, in connection with opium and the leking tax, is still under discussion.

The admission of foreign salt may be put aside so far as the Commission is concerned, as one they cannot deal with. The serious modifications under Section 3 only remain to be carried out in a practical form. The payment of drawbacks in silver being conceded in principle, the limitation as to time, whether one or two years, is less important, and must be settled by friendly discussion on a due consideration of the arguments to be brought forward on both sides.

III.

In reference to the objection of the Chinese Commissioners to inland navigation as a general proposition, and their expressed willingness to consider any specific demand upon its individual merits, the British Commissioner is prepared with a list of the principal places to which it would be desirable they should have increased facilities of access and transport, together with a limited and conditional right of residence. But without a more matured plan for giving practical effect to such concessions, and further information of a practical kind, it is not deemed necessary to press the subject on the Commission for their decision or any decisive opinion.

IV.

The landing-stages on the Yang-tsze, both as to their number and site, are matter of practical detail for the Inspector of Customs and his department, and it may be so left satisfactorily.

The same observation applies to the question of bonded warehouses; they are not desired at all the ports, and even where they are, only on condition of the merchants' own warehouses being adopted or licensed to that end.

The willingness of the Chinese to work the coal-mines with foreign appliances and workmen is very satisfactory. Of course the exclusion of the coal deposits to the west, from which Peking and Tien-tsin draw their supplies, is to be regretted. It is not necessary, in any case, that foreigners should be proprietors of the mines—arrangements can be made with these to secure foreign engineering and latest appliances by the Chinese who own the land.

The abolition of the camphor monopoly is also satisfactory.

In reference to the mixed Court, and a commercial code with rules of practice, which it is satisfactory to know will be willingly adopted, it only remains that the necessary steps should be taken to obtain the services of a competent person to work in drafting such code and rules under Sir E. Hornby's direction, so that it may be submitted for acceptance, if approved by the Yamên and several foreign representatives, as applicable in all mixed cases throughout China.

(Signed) RUTHERFORD ALCOCK.

Inclosure 19 in No. 76.

Minute of a Meeting of the Mixed Commission, June 13, 1868.

Present:—All the Members.

THE Chinese Members began by asking to hear Sir R. Alcock's opinion of the replies given to his proposals. We said we were rather prepared to hear the counter proposals of the Chinese Government, but these, it was explained, would depend greatly upon the result arrived at upon the British propositions.

Upon this they were told Sir R. Alcock's views upon transit-passes; and the benefits of supplementing the existing system by some practical means of protection beyond a proclamation, and the proposals to this end were rehearsed. There then ensued a long discussion upon the question of internal navigation, the injury it would inflict on the native carrying trade, the danger of collision, and the points to which access is denied, were then detailed; and it was shown that the steamers would carry only foreign-owned goods and produce, would perhaps be limited and registered. It was replied that it was precisely in the tea and silk producing districts that the native carrying trade had the greatest development, and would receive the most injury by such competition. Finally, the Chinese volunteered a general permission for the navigation of inland waters to foreigners in their own ships, provided they were not steamers.

The question of regulations for hiring godowns is left open for Sir R. Alcock's opinion. As the concession for navigation is general and not limited it becomes a question whether the permission to hire warehouses shall be general also, or whether the permission to navigate is sufficient of itself. The necessary steps will be taken at Shanghae for the adoption of a Code, &c., for the Mixed Court.

Sir R. Alcock's views upon the Chinese replies on other points were detailed.

A draft of the intended Proclamation for the protection of foreign trade was read. It provided an appeal to the Customs authorities at the port where the papers are issued, who are given a certain jurisdiction over the inland barrier in cases of such appeal. It was suggested that a clause should be added, providing that no foreign goods in transit may be detained more than four hours at any barrier. This was accepted and a copy of the draft will be sent for Sir R. Alcock's inspection.

The question of limitation of drawbacks is still under discussion between Mr. Hart and the Chinese.

(Signed) HUGH FRASER.

Inclosure 20 in No. 76.

Memorandum by Sir R. Alcock.

THE labours of the Commission having now brought them to the consideration of what practical measures can be framed to give effect to the concessions or modifications of privileges conceded to in principle, and how far those concessions can be carried with

safety and advantage, the British Minister desires to place on record, for the information of the Commission and the guidance of the British Commissioner, the following closing remarks.

Referring to the Memorandum of the 1st of December, communicated to the Tsungli Yamên, in which the appointment of a Commission was suggested and the five heads under which were grouped what was deemed most essential, both to repair the injuries inflicted on foreign merchants and their trade in the port, and improve in the future all trading relations with mutual benefit to the Chinese and the foreigner, by the correction of abuses on both sides, the removal of obstacles to the development of commerce, and the increase of facilities for transport and communication, it is satisfactory to observe that many other ends are likely to be satisfactorily attained by the elaboration of practical measures suggested by the Commission and sanctioned by the Yamên.

It is not to be forgotten, however, that the two most important objects signalized both in the original Memorandum of them, and in the British Minister's successive Minutes, more especially Nos. 1 and 2, and the Memorandum of June 13, are yet very far from being attained.

The levy of leking taxes on all foreign goods and trade indiscriminately at the ports—and the exactions and obstructions hitherto experienced under the plea of levying transit-dues in the interior, are the two great grievances of the merchants. These have inflicted more injury upon them than all other abuses put together. They are both in manifest violation of the Treaty.

Under the first head, no definite proposition for removing the burden of the leking tax seems yet to have been put forward or discussed. The British Minister's proposal to abolish by Imperial edict all power on the part of local authorities to levy any but maritime duties within the port. And the better to remove all evasion of such law, that the limits of the port for such purposes of immunity from extra taxation, shall be fixed at a radius of ten miles or thirty li.

If this can be shown to interfere unduly with the rights by Treaty of the Chinese Government to levy inland duties on opium at their discretion, the British Minister is quite ready to consider any proposition from the Commission or Yamên to meet such difficulty, and with a very sincere desire to arrive at a mutually satisfactory arrangement. But the labours of the Commission will be in a great degree abortive, if nothing of this kind be done. The leking taxes at present levied are too grievous a source of injury to trade, and too manifestly in flagrant violation of distinctly stipulated Treaty rights to be allowed to remain unreformed and unremoved.

So, under the second head of inland taxation or transit-dues, there is yet wanting something to effect an adequate reform of abuses.

The Imperial edict and the provisions it embraces, giving direct and prompt means of redress by appeal to the nearest Superintendent of Customs where there is a foreign Commissioner and Administration, will do much to correct abuses on both sides. This, coupled with a recognized right to employ foreign boats or vessels in the inland waters for the exclusive transport of foreigners or foreign-owned goods and produce, duly certificated, will further tend to the same end. But, as an almost necessary corollary, there must be some conditional right of hiring-accommodation at some of the principal places of resort in the interior for the foreign merchants. It may be difficult at once to determine the exact localities, the number, or even the regulations and conditions. All this might be matter for after consideration, and with fuller information as to the wants of trade, and the inconveniences to be guarded against. But it should be admitted in principle, without further delay, leaving the details for mutual arrangement.

Also, in regard to the inland navigation, some exception should be made in favour of steamers, for instance, on the Poyang Lake, without which the concession of inland navigation would be nearly, if not altogether, barren of result. But it might be so conceded as to effectually provide against any injury to native trade, or fear of damage to native vessels on the same water, or local interests connected therewith.

With these essential provisions, supplementing all that has been now considered as practicable and expedient by the Commission, a great and satisfactory work will have been accomplished—but without them the whole will remain disjointed, lame, and incomplete, and of very limited practical benefit to either nation.

(Signed) RUTHERFORD ALCOCK.

Inclosure 21 in No. 76.

Minute of a Meeting of the Commission of the Yamén, June 19, 1868.

Present:—Hsia, and Under Secretary, Mr. Hart, and the English Members.

THE Chinese Members were informed that, before hearing the proposals on their side, the British Minister desired to return to the consideration of the following points:—

1. The definition of the Treaty ports, for which a radius of thirty li from the Custom-house has been proposed, and the abolition of all but maritime dues upon articles of foreign commerce within them.

In representing this, it was explained that the levy of prohibitive taxes at the foreign merchant's door upon his goods the moment they left his hands, was equivalent to that of a direct import duty in its action, and affected both the sale of the goods to the native dealer, and their consumption in the interior, to such a degree as to be an intolerable burden and injury to foreign commerce, which would, if not remedied, sooner or later inevitably lead to a rupture.

The explanation of this double action of the Peking taxes was an affair of some little time. Finally, the Under-Secretary illustrated it in Chinese to his colleague.

The objections entertained to the manner of the levy, the means and usages employed, were also stated.

The Chinese demurred to the abolition of taxes within a given radius, on the ground that if not in the ports it would be impossible to levy the leking tax at all, and the provincial Governments depended on it in a great degree for their revenues.

They said, also, that the only individual who would gain by the abolition would be the Chinese dealer, who would of course keep up the market-price to the height it had reached under the taxes, telling the retailer he had been compelled to pay so much for it by the foreign merchant that he could not sell it to them under a certain rate.

Sir Rutherford Alcock's proposal was finally left with the Chinese Commissioners to be answered later.

With reference to the illegal levy of transit-dues, the British Minister's views with regard to proposed proclamation, were stated, and with regard to the concession of inland navigation already offered, it was represented that this would necessarily require to be supplemented by some regulations for the hiring of godowns, &c., similar to those enjoyed by Russian merchants, and, to some extent, to those alreay proposed.

Finally, it was desired that steam navigation might be permitted on the Poyang Lake, it being explained that it was bordered on all sides by tea-producing districts, and Mr. Hughes' sketch map was left in the hands of the Chinese Commissioners for the inspection of the Ministers.

It was represented, more especially with reference to the first of these points, that unless the difficulties they involved were satisfactorily annulled, all that has hitherto been accomplished by the Commission would, after all, be fruitless.

(Signed) HUGH FRASER.

Inclosure 22 in No. 76.

Minute of a Meeting of the Mixed Commission at the British Legation, June 27, 1868.

Present:—Hsia, Tsai, Sun I, Sun II, Kao, Mr. Hart, and the British Members.

1. IN reference to what passed at the last meeting, June 19, the expression of the British Minister's views upon three points connected with the protection of foreign commerce from local taxation and illegal transit-dues, the Chinese members stated, first—

That the leking tax being the principal source from which were drawn the means of maintaining troops for the pacification of the provinces and the ports, being the most important preserves of such taxes, it is not possible, so long as the country continues to be disturbed by rebels in arms, to order the provincial authorities to desist from levying them; but that it might be relied that they would be removed as soon as such pacification should be accomplished.

It was asked whether this pacification was really in prospect, or a mere contingency? How long the country had suffered such disturbance?

They replied, some twenty years; but that at present, excepting the Nienfei in

Shantung, and Mahomedan rebels in Yeuman, there was no movement in the country calling for increased expenditure. When the Nienfei were crushed, they would be able to dispatch troops to Yeuman to reduce it to order.

They were asked whether they could engage that as soon as these disorders were reduced, the taxes should at once be abandoned? They replied, they could only say that such would be the course.

It was argued that a war tax was only properly leviable in a disturbed district for local protection; and they answered, that being unable to raise taxes in the disturbed districts, they were compelled to levy them wherever they could, and apply the money so raised to the payment of the troops in any part of the country where they might be required.

It was then asked whether the Chinese Government were disposed to take any step towards relieving foreign commerce of such taxes at present? They replied that it would be difficult to do so.

2. *Inland Residence and Navigation.*—The Chinese remarked, that the British Minister's present proposition differed very little from that made at an earlier period. That a correspondence had taken place upon this subject between Sir F. Bruce and Prince Kung, which had satisfactorily solved this question in 1861, and that no further regulation would be necessary. The understanding then arrived at was to the effect, that a foreign merchant being permitted to trade in the interior, was also of necessity permitted to hire such accommodation as the transaction of his lawful business should require, though he was permitted to rent a house, or open a shop only in the Treaty ports. When asked whether they would cause a Proclamation to be issued, making known the status of foreigners in this respect, they replied, Yes, they would do so, and would send a draft for the British Minister's perusal.

3. *Steam Navigation of the Poyang Lake.*—This, the Chinese Members of the Commission said, could not be conceded. They were willing to place the foreigner upon a footing of equality with the native, by permitting him to navigate inland waters in his own vessels, not propelled by steam; but so long as only such vessels were used by native navigators, they could not concede to the foreigners so great an advantage over the native trader.

They produced a written paper containing the concessions they are willing to make on other points, differing slightly from the results communicated verbally, with two others, for the proposals made upon their side. These papers will be immediately translated. The first is a proposal for raising the duty on tea and silk to twice its present rate; and the other refers to Chinese ships sailing under a foreign flag, or protected by a foreign nationality.

(Signed) HUGH FRASER.

Inclosure 23 in No. 76.

Memorandum by Sir R. Alcock.

AT the next meeting of the Commission the British Commissioner will report that he has referred the replies of the Yamên to the British Minister on the various points discussed, and they are in great part satisfactory.

Nevertheless, referring to the note of the 10th of December, and to the paragraph immediately preceding the five heads, the British Minister thinks that his Government will be prepared to receive the intelligence of what the Yamên is prepared to consent to favourably, and he will, with as little delay as possible, communicate what has been done so far to Her Majesty's Secretary of State for Foreign Affairs, and ascertain whether or not any claim for a more formal revision is to be made.

But previous to such communication being made some information is required that it may be clearly understood how far there is any opening or necessity for further negotiation on certain points only conceded conditionally, and with limitations which are more or less acceptable, or otherwise negatived absolutely as impracticable for the time being.

Under the first head may be classed:—

1. The limitations on drawbacks.
2. Limitations on inland navigation under the second.
3. The refusal to abolish the leking taxes, or to consent to a twenty-mile radius within which they shall not be collected.

1. The British Commissioner will observe in reference to the proposed payment of drawbacks, that any limitation as to time is to modify an article of the Treaty disadvantageously to the merchant. Article XLV provides, that they shall, on complying with certain conditions, be entitled to a drawback certificate, and there is no limit as to time. How then drawbacks shall be liquidated has not been determined. The Memorialists have asked that this should be done in specie, to which the Yamên consents, but with a proviso limiting the term of payment to so short a period as to deprive the concession of all its value, and if not accompanied by an extension to three years, during which they may be tendered in payment of dues, unacceptable. This matter obviously requires further consideration. The existing practice is unsatisfactory to the merchants, and not in accordance with Treaty. The proposed substitution of specie payment with only a three months' term, without other arrangements, is wholly inadmissible. If a limitation of time be consented to on the one hand, and payment in specie on the other, the first should not be so short as a year for non-specie payment, and this latter might be extended indefinitely without disadvantage to the Chinese revenue.

2. The limitation of inland navigation to sailing-vessels, unless some exception be made on certain waters (as, for instance, the Poyang Lake) for the use of steam-tugs to tow the heavier sailing-boats, will go far to render the concession of the privilege valueless for the promotion of trade and facilitation of transport. It is believed by the British Minister that the addition of a certain limited number of steam-tugs for towing might be granted without any of the disadvantages pointed out by the Yamên as attaching, in their opinion, to the general introduction of steam-vessels on the inner waters, whether as regards danger of collision to native craft, or injurious competition with the native trade of those regions.

3. Under the second head of Negative Resolutions, the non-abolition of leking taxes at the ports demands further consideration. The British Commissioners must remind the Commission of the tenor of his observations at the Meeting of the 19th of June, when this subject was discussed. Also to the observations of the British Minister in the Memorandum of the 10th of December, in which it is plainly stated that the object he had in view in suggesting a Commission, and certain concessions or increased facilities for trade, was, 1stly, to correct some great abuses in the collection of duties to the injury of trade (of which the worst is the leking); and, 2ndly, to supply compensation for past losses entailed by those abuses, and thus forestal large claims for indemnity otherwise likely to be preferred. Both these important ends will be missed by the maintenance of the leking taxation on foreign goods more especially, and the main object of the Commission defeated. The consent to do away with all surcharges and objectionable taxes on foreign trade in the vicinity of the Treaty ports, as soon as the tranquillity of the country is assured, and demands for special military expenditure have ceased, must be considered as a negation of any present relief from taxation which is imposed contrary to Treaty; and the period fixed for its cessation much too uncertain, if not distant, to be satisfactory. China, like most other countries, by entering into Commercial Treaties with foreign States, has, in consideration of a fixed payment of maritime and transit-duties, foregone all further right of taxation on whatever can be shown to constitute the foreign trade, import, or export. Otherwise, of what use could be the provisions of the Treaties so carefully fixing and limiting the Tariff rates, import, export, and transit? If the Territorial Government retained the right to surcharge these at pleasure, the whole trade could at any moment be stopped, or more gradually dwarfed and finally ruined, by burdens it is unable to bear, or prohibitive duties. To say that the Chinese Government has urgent need of funds is not a reason that can be accepted by a Treaty Power for a plain violation of so essential an Article in all the Treaties, affecting the prosperity and very existence of the trade.

The proposal to increase the Tariff rates on some of the larger staples of that trade, as tea and silk, however unacceptable it might prove to a great importing country like Great Britain, would still be a perfectly legitimate proposition on the part of China, and an infinitely less objectionable mode of increasing the revenue on foreign trade; because, if assented to, it would be a fixed rate, and in accordance with Treaty provisions, whereas the leking taxes are eminently variable, uncertain in amount from year to year, arbitrary in their exaction, and otherwise constitute a violation of Treaty rights.

The only portion of the leking taxes which are not in this sense illegal and contrary to Treaty, are those levied on opium. On that one article alone the Chinese Government reserved its absolute right of taxation without limitation by Treaty, except as regarded the maritime duty. So on that part of the leking revenue the only remonstrance ever made has had reference to the mode of levy adopted, which, in some cases, was such as to trench on other Treaty rights, and to interfere with its free sale at the ports by the foreign merchant. It is true that in one of the Memorials there is a prayer that this liability

of opium exclusively to unconditional power of taxation should be changed. But in view of the difficulties of the Chinese Government in regard to revenue and war taxes, as well as for other reasons, no proposition to that effect has been laid before the Commission.

From the same motives of consideration, nothing has been said of the introduction of railroads and telegraphs, though very urgently desired by all the mercantile communities. It must be evident, therefore, to the Yamên that if this subject of the leking tax, and other local dues at the ports on the staples entering into foreign trade, and even on foreign goods imported, in many cases more than five times the rates of maritime and transit-dues alone recognized by Treaty is insisted upon, it is not from any want of consideration on the part of the British Minister for the difficulties which the Chinese Administration encounter in the present disturbed state of the country, and the urgent want of funds to meet an abnormal deficiency of the ordinary sources of revenue and demands for an excessive war expenditure; but the necessity under which he himself lies to oppose any direct violation of Treaty provisions in the levy of duties. This constrains him to protest against the continuance of such a system, and to point out what are the only legitimate modes of raising an increased revenue on foreign trade, if such increase must needs be for the public safety and interests.

The difficulties of the Tsungli Yamên, and the necessities of the country, have been fully recognized by the British Minister, and there is every desire on his part to avoid embarrassing discussions, or pressing for impracticable measures, either beyond or within the limits of existing Treaties. But this one question of an assumed right of the Chinese Government to tax foreign trade *ad libitum* at the ports, is one of principle, and of such vital moment to the interests of commerce, that a British Minister can have no discretionary power in protesting against it as a violation of Treaty, in the face of which it is certain no counter-proposition of the Chinese Government to increase the Tariff rates on tea and silk has a chance of being entertained.

The British Minister would also be glad to know, before communicating with Her Majesty's Government, whether the Yamên would consent to the opening of Taichen in Che-kiang, Chin-chew in Fukien, and Pek-koi in Kwantung, as well as Wên-chow, retaining, of course, the right to Kwei-chow in Hainan, if Her Majesty's Government should be disposed to incur the expense of additional Consular establishments. The British Minister is led to conclude that much public benefit might be anticipated, not only by these ports opening up new sources of trade and revenue, but in the suppression of piracy and smuggling, both prevailing to an injurious extent on the West Coast.

(Signed) RUTHERFORD ALCOCK.

Inclosure 24 in No. 76.

Minute of a Meeting of the Mixed Commission, July 14, 1868, *at the British Legation.*

Present:—Hsia, Tsia, Sun I, Sun II, Kao, Mr. Hart, and the British Members.

THE English Commissioners stated that the written replies of the Yamên to Sir R. Alcock's proposals had been submitted to the British Minister; that to some extent they had been found satisfactory by his Excellency; but that, whilst desiring to consider, so far as possible, the difficulties and necessities of the Chinese Government, there yet remained points, some granted under conditions and restrictions, others entirely refused, which it was his duty to press.

The first of these was the payment in specie and limitation of time of drawback certificates. It was represented that a short limit of time could not be accepted as compensated by specie repayment; that it might be permitted to the Yamên to limit the time during which such payment might be claimed, but not the time during which the drawback itself, unliquidated, should be received in payment of duties.

Then the British Minister desired to suggest whether a limited number of steam-tugs might not be permitted to ply on such parts of the inland waters as the Poyang Lake.

Of the demands altogether negatived it was necessary to press one, the abolition of leking taxes and local dues upon articles of foreign commerce. It was represented that the Xth Article of the Treaty of Nanking provides that even in Chinese hands, articles of British commerce should only pay such rates as were provided by Tariff, and that the Treaty thus protecting the actual staples of British trade, in whatever hands, it could not be an infraction to subject them, once out of the foreign merchant's possession, at the ports and in the interior, to capricious and arbitrary levies.

To this representation they were prepared with an answer. The Tsungli Yamên had not been acquainted with the Treaty of Nanking, their copy having been carried away from Yuen-ming-Yuen; they acknowledged fully the obligations it imposed, and recognized their application to the point in question; but they hoped that the British Minister would not press this point, urging, in support, the many concessions already made to foreign commerce; the absolute necessity for raising funds to meet the enormous military expenditure called for by the disturbances in the provinces, the impossibility of raising these elsewhere than at the ports and upon articles affecting foreign commerce; saying that, as these necessities disappeared, measures would be taken into consideration for the protection of foreign trade in the future.

Much objection was made to referring the other proposals of the British Minister; but it was finally agreed that reference should be made on both sides, and a final reply given at the Yamên on the 16th instant.

(Signed) HUGH FRASER.

Inclosure 25 in No. 76.

Minute of Meeting of the Mixed Commission, at the Tsung-li Yamên, July 16, 1868.

Present:—Hsia, Tsun, Kao, Mr. Hart, Mr. Adkins.

THE Chinese were informed that Sir R. Alcock adhered to his decision that the thirty-mile radius was the most practical mode of dealing with the leking difficulty. The reply made was that the Yamên cannot see that the collection of the leking, which is a special tax for local wants and military purposes, constitutes any breach of Treaty. But they are willing to admit that foreign goods in transit should be treated alike, whether in the hands of Chinese or foreign merchants as prescribed by Tariff, Rule 7, while under transit certificate. The attempt to pass goods otherwise than under such certificate rendering them liable to be treated as native goods. The thirty-li radius shall be conceded so soon as the state of the country will permit; a modification in the collection of the opium tax being accepted as a partial equivalent.

The views of the Yamên with regard to drawbacks are:—That the duties on goods re-exported during the quarter in which the import duties were paid, shall be repaid in cash; that the limit of time during which a drawback shall be valid for payment of duties shall be three years.

Wên-chow and Pai-hai can be exchanged for Nanking and Kiung-chow, but the Chinese Government will make no objection to British trade being carried on at the surrendered ports under the favoured-nation clause.

Tug-boats on the inner waters not allowed at present.

As there are some articles in the Tariff on which a reduction of duty is contemplated, to bring it down to 5 per cent. *ad valorem*, it is suggested by the Chinese that the duty on certain articles, paying less than 5 per cent., might be increased to that amount.

(Signed) THOMAS ADKINS.

Inclosure 26 in No. 76.

Précis of Memorandum of Instructions and Minutes of Meetings of the Commission, from March 2 to July 16, 1868.

1. *Memorandum of Instructions, March* 2.—General instructions of the British Minister enumerating the principal objects for examination and discussion in relation to the five heads specified in note to the Yamên of January 2.
2. *Minute of First Meeting, March* 3.—General explanation by Tsai, of origin of leking taxes and transit exactions. Sir R. Alcock's first point to be discussed at the next Meeting.
3. *Memorandum of Instructions, March* 6.—Referring to proceedings of last meeting on transit dues and leking taxes. Foreign trade. Its definition. What are the rights of the Chinese Government? A conditional and limited right only. Practical measures required to enforce this view.
4. *Memorandum of Instructions, March* 6.—Ships' stores and household stores. Exemption of all articles for foreign consumption, under detailed list, proposed.
5. *Minute of Second Meeting, April* 20.—Transit dues. Thirty-li radius proposed. Inland

navigation. Places to be specified. Payment of transit dues to provincial treasuries objected to.

6. *Memorandum of Instructions, April* 21.—Changes in the Tariff. Monopolies. Questions of coast trade duties. Transit dues, and necessity of organizing a better system of collecting taxes affecting foreign trade. Inland navigation and residence. General indications of the wants of the merchants, and certain places particularized.
7. *Minutes of Third Meeting, April* 21.—Proposal to pay part of transit-dues to provincial treasuries shall be referred. Places for inland navigation generally stated. Inland residence. Landing-places on the Yang-tsze. New ports to be opened. Objections and arguments of the Chinese.
8. *Memorandum, April* 26.—On wants of foreign trade. Read in Chinese to the Commission, April 27th.
9. *Memorandum of Instructions, April* 27.—Modifications of Tariff. Admission of salt. Reductions on certain articles proposed.
10. *Minute of Fourth Meeting, April* 27.—Camphor monopoly in Formosa. Household stores and ships' stores. The Amoy Dock Company. Guano. Salt.
11. *Memorandum of Instructions, April* 28.—Bonded warehouses. Tea. Coal. Currency. Drawback.
12. *Minute of Fifth Meeting, April* 28.—Foreign grain. Coal. Tea. Tea-dust. Watches. Pepper. Tin plates. Payment of duties. Coast-trade duties. Question of duties and exemption discussed.
13. *Minute of Sixth Meeting, April* 29.—Reduction of duties on woollen and cotton goods, timber, coal. Working coal-mines. Bonded warehouses. Drawbacks considered.
14. *Memorandum of Instructions, May* 1.—Mixed Courts.
15. *Minute of Seventh Meeting, May* 4.—Recapitulation of demands.
16. *Minute of Eighth Meeting, June* 5.—Chinese verbal replies, and discussion.
17. *Memorandum of Instructions, June* 13.—Sir R. Alcock's reply. Transit-passes unsatisfactory. Inland navigation and residence. Proclamation not sufficient.
18. *Minute of Ninth Meeting, June* 13.—Inland navigation, and general permission for all but steamers given. Draft of Proclamation read.
19. *Memorandum of Instructions, June* 13.—General review of progress; result not satisfactory. Returns to the thirty-li radius at the ports, or some equally efficient measure. Inland residence also required. Steam on the Poyang Lake.
20. *Minute of Tenth Meeting, June* 19.—Verbal rehearsal of the foregoing Memorandum to the Chinese Commissioners.
21. *Minute of Eleventh Meeting, January* 27.—Reply of Chinese Government. Written replies given.
22. *Last Memorandum of Instructions.*—Limitations on Drawbacks. Steam Tugs. Refusal of the thirty-li radius. Argument.
23. *Minute of the Twelfth Meeting, July* 14.—The Yamên had not possessed the Treaty of Nanking. Acknowledged its bearing on leking tax difficulty. Other demands referred.
24. *Minute of Thirteenth Meeting, July* 15.—The Yamên allows the application of the provisions of the Treaty of Nanking only so far as to concede that Chinese merchants, as well as foreign merchants, may convey foreign goods free under transit certificate.

Inclosure 27 in No. 76.

Memorandum prefacing the Reply of the Tsung-li Yamên to the British Minister's Note of the 2nd of January, urging the necessity of a Mixed Commission to inquire into Abuses, and devise Remedies.

June 28, 1868.

ON the 2nd of January the Yamên received your Excellency's Memorandum, containing five clauses for a revision of Treaty; and, on the 4th of May, a Memorandum containing twenty-nine clauses of a like import.* The Prince has carefully considered both these documents. The expressions of sympathy with China therein contained are gratefully acknowledged as evidence of your Excellency's friendly feelings, and of your generous interest in our affairs. Mr. Burlingame's mission to the friendly foreign States last year will certainly bring about a mutual understanding, and increase these friendly feelings.

* These twenty-nine clauses proceed from a recapitulation made of the various proposals submitted to the Commission by the British Minister, as recorded in the Minutes of May 4.

Now, with regard to the war taxes. The fundamental revenue of China is the land tax, the system of popular loans is unknown. In time of war, His Majesty has, out of compassion for the sufferings of his people, remitted the land tax, wholly or partly, in the disturbed districts, and, as a temporary measure, the national necessities must be supplied by these extraordinary levies.

Even now military operations are not ended, and funds are still much required. Indeed, the apprehension of the inability of the people to bear their burden is a source of constant anxiety to the Government.

As peace returns, and order is restored, their taxes will certainly be reduced or entirely removed. Besides, the foreign merchants, relieved of all levies on his inland trade by the payment of a full and half duty, has the advantage of the native merchants, on whom these war taxes have been levied in full.

It may be true, as your Excellency states, that British merchants have sustained heavy losses during the past two years. But the increased number of ports has increased the foreign merchant's trade expenses, while competition has tended to restrict his business. The reckless competition of so many foreign merchants must inevitably diminish the profits of trade. This, the Prince thinks, your Excellency's experience in China will have shown.

With regard to the complaints of the foreign merchants of inland exactions, the Proclamation which your Excellency has approved, and which is about to be issued at all the barriers, will remove that evil. Previous complaints may have arisen from the merchants having allowed this produce to be separated from their transit papers, as well as from an actual illegal levy; but authentic cases shall be settled on their individual merits.

Ever since the opening of the river, the native trade there has declined, and, in the tenth month of last year, Tsêng Kwo-fan presented a petition from the native merchants begging, as remedial measures, for the withdrawal of the right to navigate the Yang-tsze, and carry on inland traffic.

These statements seemed to the Prince reliable and worthy of attention; but, in view of the difficulty your Excellency would have in dealing with this sudden withdrawal of a Treaty concession, the Prince could not comply with their request, though pitying the decadence of their commerce. These feelings, it is trusted, your Excellency will also appreciate.

If mutual advantage is to result from the present occasion, consideration must be shown to the native merchants as well as favour to the foreigner.

The five points of the Memorandum, as contained in the twenty-nine clauses, have been repeatedly discussed by our Commissioners and Messrs. Fraser and Adkins, and are now replied to *seriatim*.

Inclosure 28 in No. 76.

Reply to the several Propositions, seriatim, *of the British Minister, as they have been presented and discussed in the Commission, June* 28, 1868.

1. REPAYMENT in full of exactions on foreign trade in the interior.—*Answer.* A proclamation will be issued by the Yamên requiring the Barrier officials to act in accordance with Treaty, thus avoiding illegal levies in future. Previous claims will be treated as they are found to be acts of extortion by officials, or the result of the separation of the goods from the transit passes.

2. No levy of leking to be made on produce for export or on foreign imported goods within a radius of thirty li, to be measured from the Custom-house at each port.—*Answer.* The war expenses of foreign countries are met by loans negotiated with the merchants. Having no such resource, China is compelled to resort to the leking. The import is on the native and not on the foreigner. Endless confusions and evasions would result from the adoption of this suggestion to do away with the leking within the thirty li. The military supplies, too, would be interfered with. This, after all, is a matter for the consideration of China herself. With the disbanding of her armies and the restoration of tranquillity, alterations may be made in her fiscal arrangements,* and out of consideration for the merchants, the leking will be abolished.

3. That the island transit dues leviable by Treaty be divided among Treasuries of the Provinces through which the goods pass, with advantage as tending to give the provincial

* *Lit.*, receipt of duties.

authorities an interest in encouraging trade.—*Answer*. These dues, as levied by Treaty, applied by China for military purposes, or are remitted to the Treasury, as the case may be. How, then, can the several provinces be allowed to keep themselves?

As to the fostering of commerce. If the foreign merchant has proper papers, he may pass through many provinces, and be protected in all alike. No official will dare to make any distinction, no matter whether any duties had been paid within his particular jurisdiction or not. The Yamên are issuing a stringent proclamation on this point, about which there need be no further anxiety.

4. In addition to ship's stores and household stores declared free by Tariff Rule 2 goods imported for foreign consumption and not for sale to Chinese to be duty free.—*Answer*. The intention of the Tariff Rule was to admit such articles for personal use duty free, but to impose a duty on those intended for sale. A list of articles so required for personal use will be drawn up, and regulations issued, to avoid confusion.

5 and 6. Under the head of ships' stores come all stores used in dock for repairing foreign ships. And stores and machinery used in docks to be imported by Dock Companies only, established under license, and guaranteed for the use of dock and not for sale. The opening of a miscellaneous store to be also under license.—*Answer*. As a dock is a trading establishment, it is considered that except ship's stores and machinery used in repairing ships, all materials used for building new vessels should pay a duty of 5 per cent. on the value of the vessel constructed; the necessary security and regulations to be made permanent after three years, if satisfactory.

7. Manure and Guano to be imported free, the discharge being under permit.

8. Foreign coal to be free (free under permit).

9. Duties on cotton and woollen goods to be reduced to 2½ per cent. *ad valorem*.

(There are many varieties of these goods. Their several values can be estimated with a view to a reduction of duty.)

10. Watches, like clocks, to pay 5 per cent. *ad valorem*. (A reduction of duty to this amount can be granted).

11. Tin-plates to be reduced to 2 mace 5 candarines per picul. (Reduction in accordance).

12. Timber to pay *ad valorem;* 5 per cent. valuation to be made by Consul Commissioner of Customs and Chamber of Commerce at Shanghae. (Tariff rate can be reduced; but not to reckon *ad valorem*.

13. White pepper, 4 mace; black pepper, 2 mace.

14. Foreign grain to be re-exported free—conceded under permit. Foreign salt to be imported under such rules as would prevent injury to the salt revenue. The regulations in force in Kiang-su and Che-kiang are suggested as available.

(The Salt Tariff is all Imperial matter under special Government control. This salt traffic is not an ordinary traffic. Not even the highest officers in the State can engage in it at their pleasure, much less can the merchants take upon themselves to do so. This item cannot be admitted.)

15. Tea to pay an *ad valorem* duty of 5 per cent. (The Yamên contemplate an increase of the tea duty.) A separate list is made of the articles on which an increased duty is contemplated.

16. Duty on native coal to be reduced.

17. Coast trade duty to be abolished.

18, 19. Currency to be assimilated to the Canton standard; and assays made at the ports to that end.

(Shall be done.)

20. Drawbacks to be made payable in cash. (The payment of drawbacks in cash will confuse the accounts and will be troublesome from the fluctuations in the value of specie. But if this is absolutely necessary the limit of the drawback will be three months only.)

21. British merchants shall have right to have unimpeded access, and carry their articles of commerce, whether foreign goods or Chinese produce, their own property, in their own vessels, whether propelled by sails or steam, through the interior to and from specified marts and producing districts, under Customs' passes—Canton—and regulations to be agreed upon between Her Majesty's Minister and Tsungli Yamên. (The places and districts to which access is required shall be specified; three points are now indicated, the Yang-tsze, above Hankow; the Poyang Lake; the waters above Canton.)

(The places named are on the inner waters, whither foreigners can proceed in their boats under proper Customs' passes. The rise of steamers is inadmissible. The coast and river trade is already in the hands of foreigners. With steamers on the inland rivers and lakes they would usurp the entire trade of the Empire. Such preference given to the

foreigners over the native would not be fair. The latter have no steamers running on the inner waters, and the foreigner availing himself of the inland traffic must use the native means thereto.)

22. Inland residence at marts and *en route*.

(Such foreign employés' warehouse can be built at the open ports. Such establishments in the interior would injure native commerce, and both parties would have troubles from the necessity of surveillance in an extensive and thickly populated country.)

23. Jurisdiction of a foreign official, not discussed.

Opening of places above Wusêng as landing-stages.

(It is not perhaps advisable to establish jetties on the river in addition to the four ports of Chin-kiang, Nanking, Kiu-kiang, and Hankow. In the year 1862, Sir Frederic Bruce was anxious for liberty to trade temporarily at Ta-tung, Wu-hu, and Anching; but the matter was dropped as Sir F. Bruce could not entertain some transit duty arrangements proposed in Hu-peh. The present requisition for landing-places may be met by the establishment of Custom-houses for the levy of duties at these three places. But as the necessary funds will not be forthcoming, as the duties collected will probably not suffice to pay the expenses, it will be necessary to consider maturely as to the mutual advantage of the measure.)

24. A port to be opened on the coast—Wên-chow. Yes, in exchange for Kiung-chow, which has never been used.

25. Bonded warehouses, where desired by a majority of merchants.

(Where a majority of merchants are willing, the Superintendent of Customs and the Commissioner can establish "official" bonded warehouses, under regulations.)

26. On account of the large consumption of coal, it is advisable to allow foreigners to work native coal-mines with foreign appliances. The mines in Wan-ping-hsien are indicated. The coal districts of China are her own estate. The working of these, whether with or without foreign aids and appliances, must be left to the Minister of the Southern ports, who will act as local circumstances require. He will have regard to the Sovereign power of China and to the requirements of trade.

27. Camphor monopoly; rice monopoly.

(Camphor-wood is used in the Government works, and has hitherto been considered Government property. The camphor trade not an ordinary monopoly, the merchant shall be at full liberty to purchase what he requires without official interference. To avoid trouble the foreigner must not go among the savages to get the camphor for himself.)

(The liberty to export rice depends on the abundance or scarcity of the season. In a time of scarcity the prohibition to export will fairly lie on native and foreigner alike; it will not be specially directed at the foreigner.)

28. International Commercial Code.

(The establishment of such a Code would be very advantageous, and the Ministers Superintendent shall depute some properly experienced officer to confer with the Chief Judge on the matter.)

Supplementary Memorandum of Increase of Duties proposed by the Yamên.

		Per Picul. T.	M.	C.
Tea	Present duty	2	5	0
	Proposed duty	5	0	0
Silk, raw.	Present duty	10	0	0
	Proposed duty	20	0	0

Inclosure 29 in No. 6.

Memorandum No. 3, dated June 28, 1868.

Summary of previous Memorandum, with concluding Remarks on abuse of Foreign Flags, and Necessity of Distinction between Native and Foreign Trade.

(Translation.)

THE twenty-nine Articles laid before the Commission by Mr. Fraser have been carefully considered by the Prince and his colleagues. Certain Articles were found to be inad-

missible, but everything which was not detrimental to the Sovereign Power of China, while it was advantageous to the foreign merchant, has been conceded. Of this a detailed statement with remarks bas been already submitted to your Excellency.

The Prince has received various representations from Superintendents of Customs, and from the mercantile communities, embodying numerous demands on your Excellency, but lest your Excellency should have difficulty in dealing with them, they have not been mooted, and a reply is requested on the points already conceded.

In the reduction and abolition of duties, and in the putting a stop to inland exactions by Proclamation, China has dealt liberally by the men from afar. The merchants (on their part) must not pervert this consideration for their commerce into a means of injuring the revenues.

In the Proclamation just issued, lest the foreign merchant should suffer by being wrongfully taxed, a broad distinction has been made between him and the native trader. It would be to the advantage of both parties, and save much future confusion, if the merchants themselves would observe such distinctions. For instance, when a native craft runs under a foreign flag there is no means of ascertaining whether she is really under a foreign charter, and with a flag issued by the Consul, or whether a native merchant, in fraudulent collusion with a foreigner has obtained the flag to enable him to smuggle the more easily. Then Chinese-owned cargoes, leaving or entering port in foreign ships assume a quasi foreign character, and as such pay duty according to a lower Tariff scale.

These two grievances, by which the foreigner gains no advantage while our revenue suffers, arise from the want of a marked distinction between the foreigner and native.

It is now suggested that your Excellency instruct the merchants that, in future, the Consular papers of a native craft chartered by a foreign merchant must bear the seal of the Superintendent of Customs before the charter can be effected, and that the want of such papers and seal render vessel and cargo liable to confiscation.

Also that Chinese consignees themselves shall report at the Customs and pay the duties on goods coming to them in foreign ships without being backed by the foreigner. Non-compliance to subject the Chinese to a penalty of a double duty, and the foreigner to be fined by his Consul to the amount of a full duty on such goods.

Were this done, while the native and the foreigner would each retain their own special advantage in any transaction, the complications arising from a confusion of interests would be avoided, and no wrong be done to the national revenue. The honour and good faith of the foreign merchant would be made apparent, and there would be no anxiety as to illegalities eventually arising from these present concessions.

But the foreign merchant will make but a poor return to China if, in spite of her liberality to him, he insists on abetting the native in his frauds, while in the future conduct of business difficulties will certainly arise.

The above is submitted for your Excellency's consideration.

Inclosure 30 in No. 76.

Memorandum No. 4, dated August 1, 1868.

Reply of the Tsung-li Yamên on the subject of Leking and Transit Dues, and Proposals for a New System of Collection for Foreign Trade.

(Translation.)

1. THE three memoranda formerly sent will have already have been taken note of by your Excellency. We now again proceed to address you on the points still under consideration.

2. (*a.*) Heretofore Chinese merchants taking foreign goods into the interior, and who had not procured transit certificates from the Customs, have of course had to pay duties and taxes at every office and barrier passed by them. Even in the case of foreign merchants themselves, those who take foreign goods into the interior without transit certificates are rightly subject to the same treatment.

(*b.*) Your Excellency now wishes foreign and native merchants to be on the same footing (in respect of privileges to be enjoyed by those) who take foreign goods inland.

(*c.*) After much consideration (we have resolved to propose that), opium excepted, all foreign goods, on arrival in port, shall pay to the Customs, at one and the same time, both Tariff import duty and Treaty transit dues, and that thereafter, no matter whether found in the hands of foreign or native merchants, such goods, if covered by a transit certi-

ficate, shall be entirely exempt from every species of taxation. The transit certificates shall be issued (at the time of payment of duties) alike to native and foreigner; and, should there be any violation of regulations, the native merchant will be subject to the same penalties as the foreigner.

3. But as regards the foreigner who in China engages in trade in native produce, nothing is easier at present than for the native merchant, to be placed, through his operations, at a disadvantage that is far from fair.

(*a.*) The foreigner who takes Chinese produce to foreign ports interferes in no way with Chinese trade, and in his case no comparison need be made between him and the native, in respect of duties paid by each.

(*b.*) But when the foreign merchant—

(1.) Buys produce in the interior, conveys it to a Treaty port, and ships it thence to another Treaty port for sale; or,

(2.) Having brought produce from the interior, sells it at the port without shipping it it to another port.

The fact is that such produce, on the road from the place of purchase to the port, has been freed from the many taxes at the many places to which produce in the hands of native merchants is liable, and the result is that, not only is Chinese revenue thereby a sufferer, but Chinese native trade, properly so called, is affected most detrimentally.

4. Under such circumstances, we cannot but propose that some distinction be made. No new rule is required for such foreign merchants, as—

(1.) Themselves by produce in the interior, and ship it to foreign ports; or;

(2.) Who buy produce at the ports which, while in the hands of the Chinese, had, in coming from the interior, paid inland dues, and ship the same—

(*a.*) Either to foreign countries; or,

(*b.*) To other Chinese ports; for in respect of such doings the Treaty provision is ample enough.

5. But as regards those foreign merchants who have bought produce in the interior, and brought the same to a Treaty port under a transit pass, paying simply a transit due; if they then sell it to Chinese merchants, it will have then been enabled to avoid the many inland taxes levied at many points; and even if the same goods should be shipped to another Treaty port, and be hereafter, as present regulations provide, subject to local taxation in common with all other Chinese goods, they will still have avoided the special taxes that they ought, by rights, to have paid during the first part of their journey, from the place of production to the port of shipment. In both the cases referred to, the goods can be laid down for a less price than if they had been all along in the hands of a native merchant; hence the necessity for a fair rule, insuring for each merchant similar treatment.

6. But here is the difficulty; how are we to know what goods are to go to foreign countries, what to other Chinese ports, or what are to be disposed of at the first port to Chinese?

This difficulty of dividing the various kinds of produce into classes, to receive different treatment according to difference of destination, opens a door to abuses, and necessitates the establishment of some special regulation for the repression of fraud.

7. What we have to propose then is this:—

That native produce, brought from the interior under a transit pass by foreign merchants, on arrival at the barrier nearest the port, shall then pay there both Treaty, transit due, and tariff export duty, and shall in addition lodge a separate amount equal to the transit dues, as a temporary deposit.

Produce which shall have thus paid at the barrier transit dues and export duties, and lodged an additional amount equal to the transit dues as a deposit, can thereafter be treated as follows:—

(*a.*) If within a term of three months it is shipped to a foreign port, the amount deposited will be returned;

(*b.*) If within a term of three months it is shipped to another Chinese port, the amount deposited will be retained, and entered in the accounts as a set-off against the many taxes avoided when protected by a transit pass;

(*c.*) If the term of three months expires without the shipment to either foreign or Chinese ports, it may safely be inferred that it has been sold to Chinese at the port. Such a sale, in our opinion, would, properly speaking, render the goods liable to confiscation; but we also think that a difference may fairly be made between produce thus sold at a port after payment of a transit due, and produce sold while under the protection of a transit pass, but before payment of the transit due; and in reference to which latter the Treaty states, that "sale *in transitu* will render them liable to confiscation. In this case, too,

then, the amount deposited ought likewise to be retained, and entered in the accounts as a set-off against all the taxes that the improper use of the transit pass had enabled the goods to avoid. (Produce sold *in transitu* is, of course, to continue liable to confiscation.)

The mode of treatment which we thus propose, is to meet the case of the foreign merchants who (in addition to carrying on their own foreign trade) desire also to engage specially in native business.

8. Produce purchased at the ports by the foreign merchant, will simply have to pay its export duty at the time of shipment as provided for by Treaty.

9. The "Transit Memorandum" taken into the interior by foreigners who wish to make purchases inland, ought to be limited as to the time for which it is to continue valid.

10. Should the special-tax barriers be hereafter abolished, and the old Custom-houses re-established in the interior and along the Yang-tsze, we might again re-arrange these matters; in any case, the object in view is simply to place the Chinese and foreigner on the same footing, so that neither may find himself more heavily or more lightly weighted than his competitor.

11. With regard to the special taxes levied, and contributions called for (we have to repeat that), they result from the military necessities of the country. While the Custom-houses in the interior are unable to be opened on the former scale, the Government could not but place the burden on the trading communities, hence the less or more numerous inland barriers, and hence the lighter or heavier contributions demanded; hence, too, the fact that their continuance or disappearance has been altogether a matter of uncertainty. The more or less pressing nature of military requirements has called for concomitant increase or diminution; if troubles were altogether at an end, and supplementary details arranged for, the barriers would of course disappear one after another, and indeed, already, from time to time, in proportion as quiet has been restored, may have been abolished; but on this point we need not trouble your Excellency by re-stating what has often been said before.

12. Your Excellency has amongst other things proposed that the duties on several kinds of foreign goods shall be decreased, and on this point we are of opinion that—opium, about which there is a special regulation, excepted—the tariff of imports and exports ought to be carefully revised, and the duties on all commodities be fairly fixed, so that each may be as much as possible in accordance with the principle on which the tariff is based, and represent 5 per cent. *ad valorem*.

13. We now await your Excellency's reply on the subject of the present Commission, and also in respect of the matters treated of in the three Memoranda formerly sent. We beg that you may soon favour us with that reply, for the Ministers of the other Treaty Powers may have to be communicated with, in order that the arrangements concluded between us may take effect on all.

Inclosure 31 in No. 76.

Separate Memorandum on Revision of the Tariff, for communication to the Tsung-li Yamên, September 5, 1868.

THE British Minister, in his note communicated last November to the Yamên, classing under five heads the objects chiefly to be desired for the removal of the principal grievances of the merchants, by the correction of abuses in the levy of taxes in connection with the grant of greater facilities of trade and residence in the interior, did not propose any general reduction of the Tariff, or even an equalization of rates, to the original standard of 5 per cent. *ad valorem*. He contented himself with specifying some ten or twelve articles on which the duties pressed unequally and injuriously without benefiting the revenue in any material degree. The Yamên have met this proposal liberally in consenting to the reductions suggested; but they propose that the duty be doubled on tea, silk, and opium.

With, or without, a general division and equalization of the Tariff rates, so as to bring all other articles on the large list to an average of 5 per cent., to propose to double the duties on nearly the only great staples of export and import, is to raise the whole question of the expediency of a fundamental change and readjustment of the duties, which, for various reasons is more than doubtful. In the opinion of the Undersigned, as in the opinions of the other foreign Representatives, the present time is not favourable for so large an undertaking. The Tariff attached to each Treaty is regulated by the special conditions and exigencies of trade in each country; and thus it would be necessary to revise each separate Tariff if any changes were made now before they could take effect.

On the other hand, although one of the Chambers of Commerce proposed a general

reduction to 2½ per cent., it is stated in the majority of the Memorials, that the Tariff, on the whole, is satisfactory; and the only modifications suggested were in the few articles already specified, which involved no general revision.

Under these circumstances, it being, in the general opinion, undesirable to attempt a revision of the whole of the Tariffs, and as any proposition, without this, to double the duties on the three principal staples of the export and import trade, would be generally condemned and impracticable, the question of farther changes may be considered at rest for the present.

But as regards the future, it may still be worthy of consideration whether, in the interest of China and foreign countries alike, great changes both in principal and detail, might not be introduced with advantage? First, by simplification; and secondly, by re-adjustment of rates.

Nearly two-thirds of the whole of the export and import duties collected, taking the returns of 1866-67, are at present realized on three articles. On tea and silk, among the exports, 3,330,000 taels, out of 4,700,000 taels; and, in imports, on opium, 2,000,000 taels, out of 3,200,000 taels. The remaining 1,000 articles in the Tariff, only produce about one-third: this fact undoubtedly suggests simplification. The duty on tea is already some 10 per cent. *ad valorem*, or nearly double the original rate contemplated, of 5 per cent. and it falls very unequally on the different kinds, inferior and superior,—on the former it often amounts to 20 per cent. It is true the silk, both raw and in piece, is only taxed about 2½, and might well bear increase: but, even if doubled, the gain to the revenue would only be 300,000 taels: and the present Tariff rate on opium, which, next to tea, yields the largest share of the whole Customs revenue, is a little over 7 per cent. An equalization of these rates to 5 per cent. would therefore produce a very considerable reduction of the revenue.

In the way of simplification, however, a great work might be done at no cost to the Chinese revenue. It may be shown that there are some 500 out of 600 articles enumerated among the exports on which it is not worth while to collect duties, and some 400 out of 500 articles in the Tariff of Imports on which duty is collected to no purpose.

The result, therefore, of reducing the number of articles according to the present Tariff to 100 import and 100 export, striking out altogether the other 400 import and 500 export, would be a nominal loss only of 200,000 taels annually, which would probably be more than covered by saving in the expenses of collection.

This process of simplification might be carried much farther, and the imports be reduced on the Tariff list to textile fabrics, metals, and opium, and the exports to eleven articles, not twenty in all, with a loss to the revenue, on imports, of 65,000 taels, and on exports, 380,000 taels: total, 445,000 taels; or little more than 5 per cent. on the whole revenue, which might be easily met by raising the Tariff rate on raw silk and piece goods to the original standard of 5 per cent., giving an addition of 330,000 on silk, and on piece goods of 120,000 taels: total, 450,000 taels.

There may be objections of a practical kind to any such sweeping measure of simplification in the Tariff from the intermixture of the native with the foreign trade. China is doing a large coasting-trade in foreign ships; and of course it would be necessary to take into account what revenue this native trade yields, both that portion carried on in foreign bottoms and the still larger part in junks, because if 900 articles were made free in foreign vessels the same would have to be done for the junks, or the native trade in them would be destroyed by a differential duty exposing them to a ruinous competition. What the yield of duties upon the junk trade may be can of course be ascertained only by Chinese authorities; but such information would be very desirable; probably it is not very large. In foreign vessels, the export duty on sugar and seventeen other articles of Chinese produce going from one Chinese port to another, it appears, may be estimated in round numbers at 472,000 taels, and if limited to some twenty dutiable articles there might be a loss of some 142,500 taels.

If, on the other hand, the object were to increase the revenue with the greatest simplification, tea and silk and opium are all articles of luxury which might bear a considerable increase of duty, so as even to double the present revenue without probably diminishing in any perceptible degree the demand or consumption, and therefore without injury to trade, save in so far as it might tend in some degree to check farther growth and expansion. But any such increase would be strongly resented by the whole mercantile class of all countries interested in the trade with China, and probably, therefore, by their respective Governments, unless it could be shown that they would obtain some compensating advantage of a very undoubted character, and fully equivalent in value to what they might lose, which the Chinese Government might be little disposed to grant, even for a large increase of revenue, such as inland steam navigation, railroads, and telegraphs.

This would seem to be a matter, therefore, that may wisely be left for farther consideration, and the influence of time and progress in other directions. If, at some future period, the native and foreign Customs should be joined together, as a measure of administrative simplification and economy, and the preventive service in China should become also effective with steamers, it might then be safe to increase the duty on opium without giving a premium to smuggling, and also to take into consideration what corresponding changes could be advantageously made by common consent and the aid of a general revision of the present Tariffs.

(Signed) RUTHERFORD ALCOCK.

Inclosure 32 in No. 76.

Note for communication to the Tsung-li Yamên, on the several Memoranda addressed by the Ministers during the past months to the British Representative, on the Revision of the Tariff and Commercial Articles of the Treaty of Tien-tsin, September 8, 1868.

THE several Memoranda lately received from the Yamên have been carefully considered, and the undersigned British Minister has only deferred his reply to give time for communication with the Representatives of Foreign Powers, whose opinion as to the expediency and sufficiency of the modifications proposed it was desirable to obtain before any final step was taken in matters affecting the commercial interests of all.

The general result of the labours of the Commission, together with the propositions of the Yamên conveyed in these Memoranda, having now been made known to all the Representatives in Peking and their views upon the subject communicated to the British Minister, he is at liberty, with the advantage of such knowledge, to deal definitely, as he trusts, with all the various questions which have been under examination and discussion by the Mixed Commission during the past six months.

In response to the remarks prefacing the replies of the Tsung-li Yamên and acknowledging the friendly spirit in which the propositions of the British Minister were originally conceived, he desires to assure the Prince and Ministers that he is persuaded nothing is to be gained by negotiating for the exclusive advantage of either nation to the prejudice of the other. For British trade to flourish in China it is necessary that the Chinese interests shall flourish too, and the nation derive benefit from its extension. And in any measures to be adopted with this end in view, it is clear the interests of both must be consulted, and a principle of reciprocity must be recognized in all things. On no other basis can any permanent relations of amity and commerce be established. With these convictions the Yamên may rest assured no propositions will be made by the British Minister at variance with them, or discussed except in a spirit of fairness and with a desire for mutual accord and a reciprocity of benefits.

The Undersigned cannot conclude these preliminary remarks without acknowledging the ready response made by the Prince and his Ministers to all his suggestions, and the evidence of good-will they have so constantly given in the consideration of all the questions brought to their notice after their examination by the Commission. Several of these affected great financial interests, and nearly concerned indeed the whole fiscal administration of the provinces, and they demanded therefore both patience and temper for their adequate treatment, and it is satisfactory to reflect that neither have failed. They have been discussed without acrimony or a sign of irritation on either side. If the result has not been a perfect accord in all things, which could hardly be expected, it has at least led to the practicability of a great many measures much needed, and a better understanding as to the desirability of much more in the way of change and improvement, for which the fitting time has probably not yet arrived.

The object of the Commission was to examine into the chief causes of complaint set forth by the numerous Memorials of mercantile bodies at the ports, and to consider by what means these could best be removed and remedies provided for the evils specified. There was no difficulty in ascertaining what the principal grievances were, nor in what directions an effective remedy was to be sought. The unanimity of the Memorialists on both these heads was sufficiently conclusive.

The Treaty of Tien-tsin had for its main object the protection and development of Trade in China, not on the coast or at certain ports merely, but throughout the whole country. And the merchants point out that for this end three conditions are essential, and were accordingly provided for by Treaty stipulations.

What are these?

1. That there should be a fixed Tariff of duties mutually agreed upon by the respective

Governments, and that no local or provincial taxes in excess of the Tariff so determined should be levied upon foreign trade, without the knowledge and express sanction of the foreign Representatives.

2. That there should be liberty securely to traverse the country in all directions for purposes of trade; and freedom, under license and Consular control, to merchants to reside in the interior, wherever centres of production or consumption might make the establishment of depôts necessary, and the presence of the principal or his agents essential to the successful prosecution of the trade.

3. That means of communication and transport between all these different points, whether many or few, and the coast should be adequate for the requirements of trade, without which no large and profitable commerce inland is possible; and if those already existing in the country be found altogether insufficient, that liberty should be enjoyed to increase the facilities for both.

It is unnecessary here to enter into any arguments to show that there is nothing specified under these three heads which is not either expressly stipulated for, or directly implied in the several Articles defining commercial privileges, and in strict accord with the whole context as well as the spirit and avowed object of the Treaty; because the result of the closer examination which the subject has received during the past months has led to a general agreement in principle, and any divergence remaining has reference only to means of carrying out these stipulations and questions of administrative detail and expediency in relation to the present state of the country.

The *bonâ fide* admission into the country of English goods, if this is to be a practical right and not a mere nominal privilege on paper, it carries with it whatever may be essential to its full enjoyment, without any express stipulation or specification of what are the means necessary to the end, It is sufficient to show that any particular privilege or facility is essential to the fruition of the primary right on the basis of the first.

Under the second and third heads, therefore, the only question is, can the requirements of trade be adequately met in the interior without a right of residence and the possession of depôts, and without improved means of transport and communication? Because, if not, it only remains for consideration within what limits and under what conditions can practical effect be given to the right.

It is here only that any material difference of opinion has arisen, and still, to a certain extent, exists.

The Yamên proposes that the right of residence should be limited to a temporary putting-up in boats or inns, and the right of inland navigation for transport of goods and produce to vessels propelled by sails or oars.

The merchants who best know what is required to meet the wants of their trade, demand the faculty of acquiring land and houses in like manner as at the ports; and for better means of communication and transport, railroads, telegraphic lines, and steam navigation.

Between these two schemes for advancing trade and giving effect to Treaty rights there is a wide interval. And if the merchants, in demanding rights of possessing real property and domicile in the interior, and railroads and telegraphs with steam navigation for communication, with little reference to the state of the country or what may be either practicable or expedient in the interest of all parties, the Yamên, in the opinion of the Representatives generally, stop short of what may reasonably be required and safely conceded.

It is conceived that with exterritorial rights existing, and in the present unprepared state of the country, and of both races with no common language to serve as a medium of communication, rights of real property and permanent domicile can neither be equitably demanded nor wisely and safely conceded. But storage for their goods, and therefore the faculty of renting houses or godowns at certain points, is essential, together with such rights of residence as the interests engaged may indicate within carefully determined limits.

And if, int he deliberate opinion of the Yamên, the time has not yet arrived when they can either create for themselves railroads and telegraphs, or safely permit foreigners to introduce them, without further contesting such an opinion, in which the Representatives do not certainly all concur, a very partial and limited application of steam should still be conceded, as essential in the interests of trade. They would be willing, in the first instance, to see this limited to the employment, under license and Custom-house regulations, of a small number of tug-boats on the great lakes, such as the Poyang, or a small class of cargo-boats propelled by steam, to be employed solely in the transport of goods and produce in which foreigners had a *bonâ fide* interest, so as to avoid all injurious competition with native traffic and means of transport.

Considering how small a fraction of the whole inland trade of China the foreigner's share can be, it is impossible that so carefully-restricted a privilege could interfere in any material or perceptible degree with the native interests or their means of existence. And, taking into account the small size of the steamboats contemplated, and the strict control under which they can be placed, is there any reason to anticipate danger to life or property from their use on the lakes? Nor is this to give any undue advantage to foreigners over natives—first, because it is open to all natives to employ the same means, and, looking to the large amount of Chinese capital already invested in steam companies, and the free use by Chinese merchants of steamers in their coasting trade, it is highly improbable they will be long in availing themselves of whatever improvements foreigners may introduce; secondly, because, even if they did not, any advantage gained by the foreigner in better means of transport and communication would not compensate the disadvantage they must labour under, from being compelled to hire house and storage-room from Chinese owners, instead of having their own. They will not only inevitably be called upon to pay more than a Chinese trader would be asked for the same accommodation, but, as foreigners, they are in a thousand ways at a disadvantage with the natives in both buying and selling.

In both these directions the Undersigned is bound, therefore, to urge upon the Yamên some further concession than has yet been made. This is in accordance with very strong opinions expressed by his colleagues generally of their insufficiency. And it is evident that, without some less timid advance in the way indicated, grave dissatisfaction will be felt with the present arrangements, both by the merchants and by foreign Governments, however satisfactory and liberal may be the measures proposed under other heads. In that case, nothing as regards those other Powers could be considered as definitively settled, even if the Undersigned were disposed to trust confidently in the certainty of progress from small beginnings.

In this matter and in the working of mines alone is there any strong feeling that the revision now proposed will be nugatory and incomplete, if carried out as at present contemplated by the Yamên.

It is felt that to give a right to foreigners to assist in working mines and using foreign machinery, and deny them houses and workshops, or any copyhold interest in them, will most likely fail in its object. If foreigners be not allowed freely to enter into arrangements for renting or leasing from the proprietors of such mines as it may be deemed profitable to work, neither capital nor the best skill will be available. The power to purchase proprietary rights is not absolutely necessary for successful working, but the faculty to erect work-sheds, storehouses, and other accommodation on the spot, is quite indispensable. And if foreigners are to engage at all in developing the boundless mineral resources of China, now lost both to the Government and the people for want of engineering knowledge and steam machinery, with European appliances and capital, it is certain that these farther facilities can only be deferred for a very short time, and would be better and more advantageously granted at once, than withheld until Chinese and foreigners together are driven to combine in the evasion of regulations only calculated to impede all development of mining operations.

As to any more general objections to the permanent residence of foreigners in the interior, this right has been so fully conceded to one class—the missionaries—with liberty to acquire both land and houses, that it seems inconsistent and invidious to deny a modified privilege of the same kind to merchants, who, besides being under Consular control, furnish, in the interests and property they would have at stake, security for good conduct. The French Treaty, stipulating, Article VI, that "it is permitted to French missionaries to rent and purchase land in all the provinces, and to erect buildings thereon at pleasure"—what is permitted to French missionaries is equally permitted to all other missionaries; and why, therefore, should a similar right be denied to the merchants? Of the two classes, it is impossible to doubt the latter are the least likely to give trouble to the authorities, or create popular disturbance, as all past experience tends to prove.

These questions have been dealt with first, because they are the only ones on which is any serious divergence of opinion between the Yamên and the foreign Representatives generally, and in the hope that the Prince and Ministers will once more take the several points here urged into their consideration, and remove the sole remaining obstacles to a good mutual understanding on matters of so much importance.

With regard to the levy of leking and other taxes in excess of the transit dues as fixed by Treaty, the proposed arrangements held out such fair hopes of the removal of these long-standing abuses, that the foreign Representatives are disposed to see in them a practical solution to the difficulty which the persistent exactions of the local authorities has created. This has hitherto constituted the greatest of the merchant's grievances limiting

their trade to a small circle round the ports, and dwarfing it even there by onerous and uncertain charges.

Necessary as improved means of transport and access to the interior may be to any large development of trade, they are of secondary importance compared with the impediment caused by a perfectly irresponsible power of local taxation. On the effective removal of this course of injury it has been felt therefore depended all improvement.

The abolition of leking dues on foreign trade has become the essential condition of progress. The necessity of devising a remedy for this evil was indeed too imperative and evident to allow either the Undersigned or the Yamên to hesitate in dealing with the difficulties that beset all attempts successfully to grapple with it.

Even yet he finds his colleagues cannot feel quite assured the measures proposed will be effective to the end, and deem some additional guarantee against failure, and security for the additional losses such a result would entail on the merchants.

The measures now proposed, if faithfully carried out, seem adequate to the end it is true.

The principle is distinctly recognized, that special taxes of any kind, if touching foreign goods, must be previously arranged for with the foreign Representatives at Peking, and published for general information, and consequently that no extra taxation shall be levied by local officials, and without Imperial authority. All irresponsible and local power of taxation is thus put an end to. It is acknowledged that all foreign goods or imports, opium excepted, should circulate free on payment of import and transit dues, as these are fixed by Tariff, and this privilege to cover the goods even when transferred to Chinese hands. It is further agreed that all Chinese produce shall be allowed to get to foreign markets, after payment of the $2\frac{1}{2}$ transit duty and Tariff export dues simply; and that every Chinese produce not intended for foreign markets, may be traded in by foreign merchants, on the same footing as when traded in by natives.

To effect these objects to the advantage of the foreign merchant without injury to the Chinese revenue, it is proposed that the transit due of $2\frac{1}{2}$ per cent. shall be levied on all foreign imports at the time of landing, in like manner as the import duty, and by the Maritime Customs; and that such imports shall thereafter be exempt from all further taxation, no matter in whose hands, native or foreign, they may be found; thus terminating all further discussion about their liability to leking taxes, which at many ports very far exceeded both duties put together.

In regard to trade in native produce and not for foreign market, in order to secure that the native dealer should not be placed in a worse position than the foreigners, and that both may be placed on the same footing, it is proposed that a further deposit of $2\frac{1}{2}$ per cent., in addition to the transit due of that value, shall be lodged at the last barrier before arriving at the port, as an equivalent for the various inland taxes it would otherwise have escaped under the transit certificate only obtainable by foreigners. In the event of its being shipped from a foreign port within three months, the deposit to be refunded.

To give effect to these principles, an edict has been drafted for publication by which all local officials will be made thoroughly acquainted with foreign rights in respect to the transit passes, and, in the event of any attempt at obstruction or surcharge, it is provided that an appeal shall be made to the nearest Customs under the Foreign Inspectorate, and an officer shall forthwith be deputed to make inquiry on the spot and do justice—compensation being made to the foreign merchant for any proved loss or injury occasioned.

Such is the general outline of the system now proposed for the due execution of the Treaty clauses providing exemption from extra taxation of any kind under transit certificate.

Is there sufficient security for the due observance of the rules by the provincial authorities and officials of all classes? This seems to be the only question in the minds of the foreign Representatives to whom the proposed scheme has been communicated, and it is suggested that nothing is really certain but the addition of $2\frac{1}{2}$ per cent, to the import duties. This will be vigorously exacted and paid, but whether the equivalent exemption from all other taxation will be obtained, must be held more or less doubtful until further experience can prove the efficacy of the new order, seeing that in the past the same provisional authorities have shown the most persistent disregard of Treaty stipulations and proclamations where foreign trade was concerned, inflicting losses on the merchant by exactions, surcharges, and delays to an amount difficult to calculate. The Yamên have expressed their willingness in all such cases to make compensation upon adequate proof of the violation of these rights; but in the great majority of instances proof is difficult to produce, partly from the lapse of time now, and partly from imperfect knowledge of the language and the impossibility of producing documentary or other conclusive evidence.

Under such circumstances, it would seem reasonable that, during the first year at least, all amounts collected under the new arrangements as transit or barrier dues should be carried to a separate account by the Maritime Customs, and held in reserve to meet any claims for compensation in the event of loss or prejudice being sustained by failure of execution. And in lieu of depositing the amount of the extra $2\frac{1}{2}$ per cent., as equivalent for taxes due on native produce not going to foreign ports, a bond would, for many reasons, be preferable and equally secure. It would prevent the necessity of locking up the merchants' money for a liability which might never arise, and equally preclude all questions about relative rates of exchange on payment and reimbursement.

Under this head it is to be remarked that some provision of an exceptional nature must be made at the port of Newchwang, where compulsory payment of the transit dues cannot be enforced, seeing that there are no inland taxes on native trade in Manchuria, as the Consul informs the British Minister; and to exact it would consequently put the foreigners at a disadvantage with the native dealer, contrary to the principle of placing them on an equal footing.

As to increased facilities of access to points on the coast and on the Yang-tsze, the Yamên proposes to establish three landing-places with Custom-house stations for the landing and shipping of goods on the river, open Wên-chow in lieu of or in exchange for Hoihow in Hainan.

But it would seem to be desirable to add to these landing and shipping stations on the Yang-tsze at least two more, one at Kwei-chow, or elsewhere on the northern bank opposite Chin-kiang, if there be any point there within the same jurisdiction, and another at Haikow, near the mouth of the Poyang Lake, to prevent much inconvenience and loss of time in dragging cargo-boats with tea eighteen miles against stream, which often causes a delay of many days, whereas, if a station were opened, steamers could load there at once instead of at Kiu-kiang.

As to the opening of new ports on the coast, it would seem to be more in the interest of the Chinese revenue than of the foreign merchants that these should be multiplied. Except for Wên-chow none of the Memorials have expressed a desire to have more ports; and in some a strong opinion has been given that, without advantage to trade, a large addition would be made to the merchant's expenses if he is called upon, or driven by competition to create more establishments.

Nevertheless, a free access to the coast generally, without concessions or building of settlements, would undoubtedly be an advantage to both countries. To China it would give an increase of revenue by the facilities Custom-house stations would afford for preventing smuggling in foreign goods, now carried on to a great extent by native boats at non-Treaty ports, and would further tend to put down piracy, especially on the West Coast. To the foreign merchant, if the intervening ports of Wên-chow, Chin-chow, and Tai-chow were made ports of entry where foreign vessels could either land or ship cargoes; and Pakhai, the port of Lien-chow-foo, at the head of the Gulf of Tonquin, were, in like manner, opened in connection with the Hainan port, not only a great blow might be struck to the pirates which infest those waters, but Haikow, already the entrepôt between the Gulf of Tonquin and Canton, might lead to the development of a large trade with Kwangsi and Yunan. All these might be merely subsidiary ports of call with small Custom-house establishments under the Foreign Inspectorate, and the placing of Consular officers there might be altogether optional, and, probably, except at Haikow or Pakhai, one or the other, would not be deemed necessary.

The Undersigned, therefore, proposes, in the common interest, that these additional landing-places and subsidiary ports of call should be conceded as conducive to three desirable objects—the extension of trade, the increase of revenue, and in connection with both, the suppression of smuggling and piracy.

In respect to a revision of the Tariff, a separate Memorandum has been drawn up to be attached to this, by which the Yamên will see, for reasons there stated at length, the British Minister does not consider the present time opportune for any general revision. The merchants do not require it, for they bear testimony to its moderate rates and liberal character.

In one Memorial only is there any proposal for a general revision with a view to bring all the duties down to $2\frac{1}{2}$ per cent. *ad valorem;* and, in a second, for a large reduction in the duty on tea, which, it is stated from Foo-chow, ranges as high as 35 per cent. on the inferior kinds often shipped in large quantity from that port. The majority of the Memorialists only seek a reduction of duty on a very few articles where the taxation bore unequally and oppressively. These the Yamên have consented to reduce in accordance with the wishes of the merchant, and, as far as they are concerned, the wants of trade have been met.

It is the Chinese Government that seeks a general revision, and proposes the equalization of duties on the bulk of the articles in the Tariff to 5 der cent., doubling those now existing on the three largest staples of export and import—tea, silk, and opium.

No doubt by such means the Chinese revenue might be largely increased or even doubled, since these are articles of luxury which would probably bear to have the present duty doubled without, any perceptible diminution either in demand or consumption, though any increase in the latter might be checked.

But the revenue now derived by China from foreign trade under the vigorous and honest administration of the Inspector-General of Customs is very large and certain in its amount, with a natural tendency to increase by the extension of trade. If the facilities for such extension be increased, as now contemplated, the same end of a large addition to revenue may be equally attained without any additional taxation, and under conditions favourable to foreigners and natives, the buyer and the seller. Whereas, to any heavy tax on the only three articles of great demand, tea, silk, and opium, there would be great opposition. Finally, if even equalization of duties were alone contemplated, all the several Treaty Powers having arranged each their own Tariff, in view of the exigencies and special conditions of their own trade, it would be necessary to revise the whole by common consent, and great difficulties would be likely to arise in carrying out any principle of equalization.

There is a great work of simplification to be done at some time, by which 1,000 articles might be eliminated altogether, and some twenty or thirty alone retained as dubitable without any serious loss to the revenue. But this also had better be deferred until, in the process of time, the whole trade of the coast, native and foreign, can be dealt with together, and placed under the same administration.

These are the general results arrived at in the accompanying Memorandum.

In connection with the Tariff and administration of Customs, various subsidiary questions have been discussed and satisfactorily settled. The question of duty-free goods, and more especially dock-stores, including wood, copper, yellow metal and all such articles, was submitted for examination to the Commission, as undoubtedly requiring attention. The Yamên's proposal to make the required changes under licenses and bonds with a 5 per cent. charge only on new ships built in dock, will no doubt meet the object if due care be taken by the Inspector-General, in consultation with the merchants, to arrange the details and include in the list of articles to be held free all that can fairly be considered solely for foreign consumption.

The Yamên's assurance that all restrictions and embargoes on rice, sugar, &c., and especially a partial application to foreign vessels shall be strictly prohibited, and that no monopolies, which can properly be so considered, shall henceforth be persevered in by the local authorities, will be received with good satisfaction by all the mercantile classes, since, by a violation of Treaty in all these respects, they have hitherto been exposed to much vexation and heavy losses.

The merchants demand some changes in the matter of drawbacks, both as to extension of time and repayment in specie, and at some of the ports the establishment of bonded warehouses.

The Yamên being willing to establish bonded warehouses wherever the interests of trade seems to make them desirable to the majority of the merchants interested—the question of drawbacks loses much of its importance.

In the ports, where bonded warehouses may be established, care will have to be taken as to the plan adopted, and all its detail. It would appear that in Europe two different systems exist. The one enables merchants to place goods under bond in their own warehouses, subject only to the surveillance of the Custom-house authorities; the other stores them in one or more Government establishments. By the last, certain advantages result not attainable by any other. The merchant's trade is facilitated by always having his goods here at hand for inspection, and under his own care as to fire, &c. Existing interests in property are not interfered with; and, thirdly, the Government is enabled to institute a system of bond far more cheaply than by building extensive warehouses of their own.

In a large commercial settlement, such as exists at Shanghae, where the vested interest in godowns is large, it becomes a question of great importance which system should be adopted. Against the expense of the salaries of a few officers to go round and inspect the godowns, where the goods are stowed, has to be set the heavy expenditure the purchase or building of large Government stores would entail. How far the one may exceed the other could only be determined at each port by careful examination of local conditions.

It will be necessary, therefore, for the Inspector-General of Customs to consult with the Consuls and Chamber of Commerce, and in concert with them determine the best mode

of attaining the end with the least detriment to existing godown property compatible with the general interests and the attainment of the main object. Where it may not be deemed desirable to establish bonded warehouses, the question of drawbacks will still arise. The Yamên propose to extend the term for the return of these from one to three years, which is considered sufficient for all useful purposes, and to pay in specie any presented during the current quarter. But this latter term is much too short to be of any practical purpose. Nothing less than six months could avail, and a return in specie within the current year would seem a much more satisfactory arrangement without offering any serious difficulty in variations of exchange or complication of accounts. Any step in this direction will be facilitated by the success of the measures in contemplation for assimilating the currency at each port to the Canton Standard of 1842, as established by assay, and the appointment of an assayer at each port, which is what the merchants desire, cannot fail to be a work of much difficulty where there is no gold or silver currency. Still it is worth while to make the effort.

And as regards the question of drawbacks more especially, all drawbacks might be entered in a separate account to be closed at the end of each year, as a Bank of Issue keeps a record of its paper. All issued in a given year represent so many promissory notes which the Customs are bound to make good on demand, either by receiving them in payment of their equivalent value, due for accruing duties, or in specie at the current rate of exchange. Taels or dollars may fluctuate in value from month to month, or year to year, but if the merchant receives the same number of taels or dollars which his document shows he paid at some former period, that is all which it is conceived he can equitably claim.

If there be loss to either side by reason of the fluctuation, each may well bear it in consideration of the corresponding advantages of the system. The Custom-house has had the use of the money without interest—the merchant at once receives specie instead of waiting an indefinite period or discounting the paper with greater loss. The probability seems to me that there will be no great loss on either side in the transactions of this nature in any one year. At the end of each financial year a balance can be struck between the amount of drawbacks issued and those received back in payment for cash, and the difference will show the amount of such notes out as a debit against the future receipts of the Customs, and in diminution of those carried to account, or cash duties actually received. At all events, by this or some other method, it would seem quite possible to avoid all confusion in the accounts.

Among the wants of trade the merchants specify—first, a more efficient system for the protection of foreign interests in cases of Custom-house confiscations and fines, and their desire on this head has already been met by the rules recently agreed upon and promulgated; and, secondly, for the better administration of justice in all mixed cases where both natives and foreigners are concerned.

The proposition made by the British Minister that a Code of civil law, with fixed rules of procedure, should be framed, based on broad principles of justice, such as are most generally recognized in all countries, and by which all cases of civil suit might be tried by a Mixed Court, properly constituted, has been very frankly and liberally acceded to by the Yamên and the announcement has been received with great satisfaction. It only remains to proceed, without delay, in the labour of construction, and the Undersigned begs to express a hope that steps may be taken at once to put this important work in hand, as it must necessarily occupy a considerable time to perfect, and much deliberation as to all its details.

With Mixed Courts properly constituted for the administration of justice, aided by such a code and rules of practice as can be received and sanctioned by all the Treaty Powers, the way will be prepared for modifications in the clauses of Treaties granting exterritorial privileges, and this difficulty, like so many others, will, in process of time, disappear.

The Undersigned has seen with regret that the Yamên conceive themselves obliged to refuse the admission of foreign salt, which he is persuaded might be productive of great advantage to both countries, and with material benefit to the Chinese revenue. As the arguments already brought forward in the Commission, however, and by the British Minister previously, have failed to convince the Ministers of the expediency or practicability of such a measure, he will not further press the subject.

In answer to the observation of the Yamên contained in the Supplementary Memorandum, No. 2, the Undersigned agrees with the Ministers, "that it would be to the advantage of both parties, and save much future confusion, if the merchants themselves would observe the distinction made between them and the native traders." And he will not fail to enforce the necessity upon all British subjects by every means in his power. He

has to observe, however, that no ship not British-owned can be legally entitled to fly the British flag. And although during the presence of the Taepings at Nanking, in the universal confusion that prevailed, a custom grew up of covering Chinese cargoes and vessels or rafts with British colours, it was an abuse, and has not continued since his arrival in China. The British Minister, however, will take counsel as to the best means of preventing irregular trading of any kind under the protection of the British flag, and it will be for the Yamên to move the other Representatives to adopt a similar course for the attainment of so legitimate an end.

To sum up the whole, it thus appears that a mutual agreement has been come to on a great number of points, and even in matters connected with inland navigation and residence, and the working of mines—the only questions on which any important difference exists—they are questions of degree only as to the limitations or restrictions which should properly attach to the rights conceded. In view of the present state of the country, and other conditions, some relaxation and modification of these may yet remove all divergence of views, and give to the labours of the Commission a completeness of result that would be very acceptable to his Government, and, judging from the opinions expressed already by the other foreign Representatives, to all the Treaty Powers which have a common interest in this work of revision.

The Undersigned, therefore, will rejoice much if the Prince and Ministers, in their reply, can so far modify the views expressed in the Memorandum now under acknowledgment, in reference to the only three points on which further reference is required. He will then be prepared to transmit the whole of the papers to his Government for final instructions as to the revisal of the Treaty in this sense, such right being reserved under the XXVIIth Article of the Treaty of Tien-tsin.

(Signed) RUTHERFORD ALCOCK.

Inclosure 33 in No. 76.

Separate Memorandum on Revision of the Tariff, for communication to the Tsung-li Yamên, accompanying Note of September 8, 1868.

THE British Minister, in his note communicated last November to the Tsung-li Yamên, classing under five heads the objects chiefly to be desired for the removal of the principal grievances of the merchants by the correction of abuses in the levy of taxes, in connection with the grant of greater facilities of Trade and residence in the interior, did not propose any general reduction of the Tariff or even an equalization of rates to the original standard of 5 per cent. *ad valorem*. He contented himself with specifying some ten or twelve articles, on which the duties pressed unequally and injuriously without benefiting the revenue in any material degree. The Yamên have met this proposal liberally in consenting to the reductions suggested, but they propose that the duty be doubled on tea and silk and opium, with or without a general revision and equalization of the Tariff rates, so as to bring all other articles on the large list to an average of 5 per cent.

To propose to double the duties on nearly the only great staples of export and import is to raise the whole question of the expediency of a fundamental change and readjustment of the duties, which for various reasons is more than doubtful. In the opinion of the undersigned, as in the opinion of the other foreign Representatives, the present time is not favourable for so large an undertaking. The Tariff attached to each Treaty is regulated by the special conditions and exigencies of trade in each country, and thus it would be necessary to revise each separate Tariff, if any extensive changes were made now, before they could take effect.

On the other hand, although one of the Chambers of Commerce proposed a general reduction to $2\frac{1}{2}$ per cent., it is stated in the majority of the Memorials that the Tariff, on the whole is satisfactory, and the only modifications suggested were in the few articles already specified, and involved no general revision. Under these circumstances, it being in the general opinion undesirable to attempt a revision of the whole of the Tariff, and as any proposition without this to double the duties on the three principal staples of the export and import trade would be generally condemned and impracticable. The question of further changes may be considered at rest for the present.

But, as regards the future, it may still be worthy of consideration whether, in the interests of China and foreign powers alike, great changes, both in principles and detail, might not be introduced with advantage—first, by simplification, and secondly, by re-adjustment of rates. Nearly two-thirds of the whole of the export and import duties

collected, taking the Returns of 1866-67, are at present realized on three articles. On tea and silk, among the exports, 3,300,000 taels, out of 4,700,000 taels; and in imports, on opium, 2,000,000 taels out of 3,200,000 taels. The remaining 1,000 articles on the Tariff only produce about one-third. This fact undoubtedly suggests simplification. The duty on tea is already some 10 per cent. *ad valorem*, or nearly double the original rate contemplated, of 5 per cent., and it falls very unequally on the different kinds, inferior and superior—on the former it often amounts to 30 or even 35 per cent. It is true the silk, both raw and in piece, is only taxed about $2\frac{1}{2}$ per cent., and might well bear increase; but, even if doubled, the gain to the revenue would only be 300,000 taels. And the present Tariff rate on opium, which, next to tea, yields the largest share of the whole Customs revenue is a little over 7 per cent. And equalization of these rates to 5 per cent. would therefore produce a very considerable reduction of the revenue.

In the way of simplification, however, a great work might be done at no cost to the Chinese revenue. It may be shown that there are some 500 out of 600 articles enumerated among the imports on which it is not worth while to collect duties, and some 400 out of 500 articles in the Tariff of Imports on which duty is collected to no purpose.

The result, therefore, of reducing the number of articles, according to the present Tariff, to 100 import and 100 export, striking out altogether the other 400 imports and 500 exports, would be a nominal loss only of 200,000 taels annually, which would probably be more than covered by saving in the expenses of collection.

This process of simplification might be carried much farther, and the imports be reduced on the Tariff lists to textile fabrics, metals, and opium, and the exports to eleven articles—not twenty in all—with a loss to the revenue of 65,000 taels on imports, and 380,000 taels on exports, total 445,000 taels: or little more than 5 per cent. on the whole revenue, which might be easily met by raising the Tariff rate on raw silk and piece goods to the original standard of 5 per cent., giving an addition, on silk, of 330,000 taels, and on piece goods of 120,000 taels, total 450,000 taels.

There may be objections of a practical kind to any such sweeping measure of simplification in the Tariff, from the intermixture of the native with the foreign trade, Chinese merchants doing a large coasting-trade in foreign ships; and of course it would be necessary to take into account what revenue this native trade yields, both that portion carried on in foreign bottoms, and the still larger part in junks: because if 900 articles were made free in foreign vessels the same would have to be done for the junks, or the native trade in them would be destroyed by a differential duty exposing them to a ruinous competition. What the yield of duties upon the junk trade may be, can of course be ascertained only by Chinese authorities; but such information would be very desirable, probably it is not very large. In foreign vessels, the export duty on sugar and seventeen other articles of Chinese produce going from one Chinese port to another, it appears, may be estimated in round numbers at 472,000 taels, and if limited to some twenty articles there might be a loss of some 142,500 taels.

If, on the other hand, the object were to increase the revenue with the greatest simplification, tea, silk, and opium are all articles of luxury which might bear a considerable increase of duty, so as even to double the present revenue, without probably diminishing in any perceptible degree the demand or consumption, and therefore without injury to trade, save in so far as it might tend in some degree to check farther growth and expansion. But any such increase would be strongly resisted by the whole mercantile class of all nations interested in the trade with China, and probably, therefore, by their respective Governments, unless it could be shown that they would obtain some compensating advantage of a very undoubted character, and fully equivalent in value to what they might lose, which the Chinese Government might be little disposed to grant, even for a large increase of revenue, and such as inland steam navigation, railroads, and telegraphs.

This would seem to be a matter, therefore, that may wisely be kept for further consideration, and the influence of time and progress in other directions. If, at some future period, the native and foreign Customs should be joined together as a measure of administrative simplification and economy, and the preventive service of China should become also effective with steamers, it might then be safe to increase the duty on opium, without giving a premium to smuggling, and also to take into consideration what corresponding charges could be advantageously made by common consent and by the aid of a general revision of the present Tariffs.

(Signed) RUTHERFORD ALCOCK.

Inclosure 34 in No. 76.

The Prince of Kung to Sir R. Alcock.

(Translation.) *December* 5, 1868.

THE Prince of Kung, &c., makes a communication in reply.

The Prince has received, and read with attention, the despatch of his Excellency the British Minister, of the 14th of November, with its inclosure. What the Prince has said, has always been spoken after careful consideration of the general situation.

China and foreign countries have national interests to care for alike. They cannot be coerced into similarity, for neither can wholly adopt the usages of the other. Is only one party to be consulted when dangerous and impracticable schemes are pressed for adoption? Foreign nations treat it as a crime on China's part, when she withholds her consent to them, though were China to moot such to England, his Excellency the British Minister would probably not agree to them. The same rule should hold good for both sides.

England and China alike wish to be benefited by the revision of the Treaty; and, to secure permanent advantages, and in the interest of true progress, both sides should consider existing emergencies, be mutually conciliatory, and treat the matter exhaustively.

If the behests of the foreign merchants were absolutely fulfilled, without consideration for her difficulties, China, while seeking progress for the foreign merchant, would, contrary to all right, be working her own retrogression. The Prince is very sensible of this, and on his part, therefore, though native merchants have entreated his action on several points, he has declined to bring them before his Excellency the British Minister, fearing to cause difficulties for his Excellency in dealing with the *ex parte* statements on the Chinese side.

Since the signing of the Treaties, indeed, China has never prevented any of their provisions from taking effect. Breaches of regulations and mistakes have been once and again committed by the local authorities, but these the Yamên have at once set right. The foreign merchants cannot all have suffered damage and losses, nor is there any actual decadence in trade.

Ten points have been conceded by the Prince, viz., reductions in duty on certain articles; free import of stores by dock companies; trial of the bonded warehouse system: the substitution of a bond for cash payment of the half-duty deposit; payment of drawbacks in cash, when the goods are expected within three months; the adoption of one uniform touch for sycee at the various Custom-houses; the selection of an additional port, either at Tatung, Anching, or Wuhu; the substitution of Wên-chow for the hitherto unopened port of Chiung-chow (Hainan).

A new set of rules has also been discussed, which will put the native trader on the same footing as the foreign merchant when trading in foreign produce in the interior; while another set of rules places the foreign merchant, who buys native produce inland, for re-export or sale at the first port, on the same footing as the native trader. Two Proclamations have been framed: one addressed to the officials in charge of the various Custom-houses, will put a stop to unauthorized levies, and will compel restitution where its provisions have been disobeyed; the other, which enjoins the people, generally, not to molest the foreign merchant who proceeds to the interior, will promote the extension of trade.

All the concessions made will enable the foreign merchant to obtain the advantages of inland commerce secured to him by Treaty, and will prevent him from suffering loss and injury.

The re-import of native produce; its sale, when the duties on it have been paid, at a first port; the reduction and abolition of duties; the establishment of bonded warehouses; the arrangement for drawbacks; the opening of ports,—are all new advantages conceded extra Treaty, and give proof of China's "progress" where Treaties are concerned; while the tender care for the foreign merchant evinced thereby, cannot but be considered complete and satisfactory.

Every course of action should be anxiously considered in regard to its permanent result. Promises are readily made,—their fulfilment is not so easy. It often happens that he who undertakes a matter finds it impracticable when called upon to put it in action, and has to regret his want of caution in the first instance. Just so is it with the proposal of his Excellency the British Minister to admit steamers on the lakes and rivers, to establish hongs and carry on mining operations in the interior. He desires to give the foreign merchant residing in the interior all the privileges of a native, without his being subject to any Chinese code. This would cripple the Executive authority of China, and,

in practice, be alike difficult and dangerous. Were the Prince constrained to concede these points, and they were found to be so prejudicial to the Governor and people of China as to be absolutely impracticable, it would be open to the British Minister to upbraid China for her bad faith and incapacity. In declining to concede to them, therefore, the Prince has in view the preservation of harmony and good faith.

The expression of his Excellency, that the things proposed would be of benefit to China, is evidence of friendly interest in her welfare. But it seems to the Prince that, during his administration, he has not failed to adopt any measure which was of advantage to China, and which would leave her independent, and be without prejudice to her sovereign Power:—as, for instance, in the establishment everywhere of schools for languages, and arsenals, and the building of steamers, she has made use of foreign appliances to her own advantage, and that without any pressure from the foreign Ministers. But the above points differ from steam-traffic on the lakes and rivers, the establishment of warehouses, and mining, where the advantages to be gained is problematical, and the injury to China's sovereign power inevitable.

The physician who has to administer medicine to an invalid must, if his treatment is to be effective, first ascertain the constitutional conditions of his patient. These conditions vary, and it may happen that the drug which is a specific in one case, will be valueless, or even hurtful in another. Thus it is that the Prince declares to be impracticable that which his Excellency urges to be beneficial; though still recognizing the good intentions of the British Minister.

The Prince thinks that his Excellency will fully appreciate these arguments.

The Treaties even concluded from a desire on the part of China to increase her friendly relations with foreign powers, and the present revision is now being conducted by the Prince in a like spirit.

The inclosure (in the despatch under acknowledgment) in nineteen paragraphs, is fairly identical in meaning with Memoranda previously received, and a categorical answer is embodied in the accompanying Memoranda.

The points in the other separate Memoranda will be for discussion by the Prince and his Excellency the British Minister. The Prince begs his Excellency to consider it carefully, and to favour him with a reply upon it, and upon the two Memoranda sent in on the 27th of June.

The Prince has received a despatch from his Excellency the American Minister, to which he need not here allude, as he is about to reply to it.

A necessary communication, &c.

Inclosure 35 in No. 76.

Memorandum on Treaty Revision.

(Translation.)

THE British Minister's Memorandum was received on the 16th day of the 8th month (1st October). The Prince has given his best attention to it, considering it minutely in all its details, and sees in it evidence of very amicable feeling on the part of his Excellency: such as in the expression, "for foreign commerce to be extended, it is necessary that native trade should also flourish, with a corresponding advantage to the Chinese revenue." This is completely in accordance with the eternal principle of reciprocity, and agrees entirely with the Prince's feelings on the subject; it is an instance of "men being of like opinion, their opinion being based upon like principle." Among the high officials of both countries there are none who are not strongly animated with this sentiment; and the Prince earnestly hopes that such amicable relations may long continue to exist. Far otherwise, however, is the feeling of persons engaged in trade; they do not reflect upon circumstances of time or place, or the practicability of proposed measures as regards either Government, their sole object being gain. The purpose of the Chinese trader is to concede as little as possible to the foreigner, and to seek his own interests alone; while the foreign trader again aims at his own advantage, without regard to the condition of the native merchant. Each, in short, is careful of his own interest, without thought of the other's welfare, or of any consequences which may accrue to the authority or resources of the Government. Such being the disposition of the trading class, it rests with officials to act in accordance with the principles of justice, considering both sides of a question, and inclining to neither, by which means a speedy arrangement may be concluded.

The various heads of the British Minister's Memorandum will now be severally discussed:—

1. His Excellency remarks that, "in case of the amount of duty upon any goods being

raised, the Ministers of the several Treaty Powers should be informed of the proposed change." This is undoubtedly reasonable, both according to Chinese and foreign principles.

2. "Wherever centres of production are situated, the foreigner should be allowed to build warehouses, apply for a passport, and still remain under the jurisdiction of his own Consul; he should rent houses, &c." Now, the conditions of the interior are not identical with those of the open ports; and it is certain, to say nothing of the difficulties connected with a continued residence in the interior, that even a temporary renting of houses and godowns would be attended with almost the same harmful consequences as such residence. Supposing, however, that such godowns were allowed, they would still have to be under the jurisdiction of Chinese officials; and such jurisdiction would necessarily include not only the investigation of ordinary questions, which would have to be conducted in accordance with Chinese modes of procedure, but also all matters connected with the trade of the interior, and the constant execution of the regulations for the collection of duties; and again, the application of such godowns to Government use, if occasion required. In all these instances it would be necessary to enforce the same laws that are binding on the native people; and again, in case of the local officials altering the ordinary procedure according to circumstances, they would have to be obeyed in every particular: the least refusal to do so would impair the authority of the Government, and, still more, inflict injury upon the native trader, thus leading to difficulties in the transaction of public business, and a refusal on the part of the Chinese merchant to bear his losses in silence, in which refusal he would surely be justified by the principles of every nation under the sun. Smuggling and corruption may further be mentioned, as still more unavoidable consequences. This is not a parallel case with that of the missionaries, whose energies are directed to the propagation of their doctrines, and cannot affect the revenue of the country; moreover, one is a case of preaching the practice of virtue, the other of seeking after gain. Two cases of so different a character can never be regarded in the same light. In view of the present missionary troubles, is it right to heap further difficulties upon those which already exist? The permission of foreign merchants to hire boats and lodge in inns, for the purpose of the transport of goods, would be attended with no inconvenience; but it is impossible to accede to the proposition of his Excellency to rent godowns, &c.

3. The next head in the British Minister's Memorandum has reference to the transport of goods and transmission of intelligence, and to the admission of small steamers into the lakes. But if such steamers are to be allowed on the lakes not only are fatal collisions with native junks to be apprehended, but, in consequence of the speed which these vessels possess, they make several voyages in the time it takes a junk to perform one; and thus the native trade would be ruined in proportion that the foreigner's business would increase; the native trade would, in fact, gradually cease to exist, falling, as it would, entirely into the hands of foreigners. It might be attempted to assign a limit to these evils; but it would be practically impossible. It would happen just as in the case of the Shanghae coasting junks, which formerly conducted a flourishing traffic; but from the time when foreign vessels were permitted to carry on the bean trade, thousands of native craft were rendered useless, and shipowners, who at one time possessed in the aggregate several millions of money, were reduced to utter want, becoming steersmen or sailors, or resorting to still more precarious means to procure a livelihood. These are facts of which there is most certain proof; and the Prince therefore cannot but leave some means of subsistence to the hundreds of thousands of poor people who are engaged in trade. Thus it is impossible to comply with his Excellency's proposal. As regards railroads and telegraphs, the British Minister does not again press the subject, in consideration of present difficulties; it is, therefore, unnecessary to allude to them further.

4. With reference to the working of mines, &c.

The mines of China, as his Excellency remarks, are among her most important possessions; they should not, therefore, be opened and worked without due care, not from any fear of injuring the veins of the earth, or from apprehension of disturbances, but as being an important property of the State. They are, in fact, under the exclusive control of the Emperor, and whether opened or not, will demand the greatest care and consideration. It is to be hoped they will produce advantages without any drawbacks, and at any rate they must not be intentionally neglected. Since, however, they belong to the State, they cannot be consigned to persons of inferior position; and thus, even if a man discovers signs of the presence of a lode beneath the land he cultivates, he is not allowed to open and work it. As it is well known with whom the control of such property rests, no interference with it can be allowed, on the part either of foreigners or of natives. Again, such property as a mine cannot be considered as an object of commerce; still further reason for leaving China entirely free in the matter; it is as if a man had a

concealed horde in his house which it would be competent in him to produce or not as he chose, without anyone having the right to interfere. With reference to the suggested working of mines by foreign appliances, simply as an experiment, both in the interest of China and to procure the advantage of a supply of coal for steamers. If the employment by China for herself of foreign aids and appliances is considered unsatisfactory such arrangement need not be pressed. It will rest with China to arrange regulations for working, collection of duties, and sale of coal, under which condition the affair seems practicable.

5. With reference to the transit of goods at Newchwang.

Whatever procedure may be adopted, now or hereafter, foreigners and Chinese must be placed on the same footing, and when the time comes the foreigner must not presume that his foreign status will enable him to disregard the regulations.

6. Landing-places on the river.

It is suggested to establish a landing-place at Kua-chow or some other adjacent place on the northern bank of the river within the Chin-kiang jurisdiction; also at Hu-kow. On the coast the opening of five places is contemplated, viz., Wên-chow, Tai-chow, Chuen-chow (Chin-chew), Chiung-chow, and Pei-hai, in Lien-chow.

Ta-tung, Wu-hu, and Anching, being places not far apart, the Prince proposed in his former Memorandum that of these a selection should be made for a landing-place. It was not intended to open all three.

Kua-chow is in the Chin-kiang district, opposite to the port of Chin-kiang, and only separated from it by the river. Hu-kow is only fifty li or so from Kiu-kiang. It will be unadvisable to go to the useless expense of establishing one Custom-house on the top of another. The quantity of produce will still be the same, and an increased number of ports would fail to satisfy the demands of the merchants, while England and China would be put to very considerable expense. His Excellency doubtless fully appreciates these difficulties.

With regard to the more important matter of additional open ports on the coast. In his Excellency's first Memorandum Wên-chow only was mentioned, and the Prince gave a qualified assent, not opening it as an additional port, but contemplating the exchange for it of the hitherto unused port of Kiung-chow. His Excellency has not consented to give Kiung-chow for Wên-chow, but wishes for three other ports in addition to it. Such an arrangement will be impracticable.

Even if his Excellency decides to exchange Kiung-chow for Wên-chow, the addition of three extra ports, though also in exchange for three others, would be a complex matter and impracticable.

7. The arrangements made with reference to the transport of foreign goods and trade in native produce are considered satisfactory. It is suggested, as a modification, that a note of hand be accepted for the half duty which has to be temporarily deposited, &c.

The arrangements made for the deposit of coast trade duty at Shanghae, and its collection at the other ports, will be as provided for in the regulations of 1862.

The half duty, leviable under the new rules, is neither Tariff duty nor transit duty. It is to be paid to the Custom, at the first port, to make good the tax payments, which in the case of a native trader, must have been paid during the inland transit. Properly speaking, and to avoid confusion, therefore, it should be deposited in cash. It is the wish of his Excellency, the British Minister, out of consideration for the merchants, to give them the use of this money in their business; and the Prince is willing to give this system a trial.

This particular half duty may be covered by a bond, and the penalties for unauthorized re-packing re-exports still holding good, if within a period of three months the produce, as originally packed, is sent abroad, Tariff duty and transit duty having been paid, then the bond will be cancelled; but if the produce is sent abroad after the lapse of a period of three months, the packages and produce having been identified, and the export and transit duty paid, the amount of the bond will have to be paid up in cash.

If the produce is declared to be for re-import, then when shipped at its first port, the proper amount (of the bond) must be paid to the Customs in cash.

If the produce is sold at the first port, even within a period of three months, an immediate report of such sale must be made to the Customs, and payment made in cash of the proper amount (of the bond). On such payment being made the bond will be cancelled.

If it should appear that no report (of sales) has been made, or that there has been any delay whatever in making the cash payment it will be right to recover the amount of the bond, in addition to a further penalty; while the merchant concerned will never again be allowed to purchase produce uuder a transit pass.

The very liberal nature of the compromise proposed necessitates these precautions. The fear of a penalty may perhaps deter the merchant from turning an advantageous arrangement into an abuse.

His Excellency wishes a separate account to be kept of the transit duty paid by foreign imports. Under the satisfactory arrangements at present proposed, cases of overcharge and extortion can hardly occur, and when they do, the Customs will investigate the case, and award compensation. There is, therefore, no occasion for a separate account.

8. It is considered that an entirely new Tariff is not desirable, and simplification in the mode of collecting duties is suggested.

When the Tariff was framed it was thought that increase or reduction of duty might be necessary, and its duration was therefore limited by Treaty to ten years. Both parties can suggest modifications. The reductions in duty on some ten articles recently suggested by his Excellency, have been attended to. The Prince now wishes to increase the duties on tea, silk, and opium, and to fix all other duties at an uniform rate of 5 per cent. *ad valorem*. His Excellency the British Minister considers this to be an entire reconstruction of the Tariff. But, already, items of the Tariff are fixed at about that rate, so that there would be no entire reconstruction. In an amicable revision, the advantages of both sides should be considered, and, as a matter of justice, there should be increase as well as reduction of Tariff rates. The (Prince's) suggestion is either to double the duties on tea, silk and opium, leaving the other rates unaltered, or not to increase the duties on tea or opium, but to fix all the other duties at an *ad valorem* duty of 5 per cent. On the above two suggestions an early reply is solicited. As to duty-free dock-stores, Mr. Hart will be instructed to make careful inquiry, and report, upon which action can be taken.

The simplifications in the mode of levying duties, suggested in his Excellency's Memorandum, cannot be discussed at present. They must await a more favourable opportunity.

9. In the matter of bonded warehouses—

It is in contemplation to send Mr. Hart to the various ports to frame regulations suitable to the localities in conjunction with the Superintendent of Customs. These will be Government establishments. None will be erected at ports where their establishment will be unadvisable. To prevent loss of revenue it will be necessary for China to act independently in this matter.

10. In the matter of drawbacks, his Excellency remarks: "the Yamên granted a limit of three years, or three months only if it were paid in cash; this last limit is much too restrictive."

In the former Memorandum the three years' limit was not assented to. It is proposed to make cash payments where the foreign goods leave port within three months, and to continue to receive the drawbacks in payment of duties when the goods leave port within twelve months. These limits are liberal; any further extension of them would give rise to false declarations about goods, and other abuses. Still more is it to be feared that so great a lapse of time would cause inextricable confusion in the Customs' accounts. This point cannot well be conceded.

All the above points have been carefully weighed by the Prince, and have been repeatedly under discussion. Whenever any compromise was possible concession has been stretched. Points prejudicing the people's means of subsistence, endangering China's national rights, or interfering with the revenue, it was found impossible to concede.

To a person so upright and benevolent as his Excellency, these conditions are, the Prince thinks, sufficiently evident, and it would be in his Excellency's power so to set the merchants' rights in the matter that they would present no more Memorials.

The adoption of a fixed standard of a sycee touch, and the joint construction of a mercantile code, have been already agreed to, and need not to be alluded to here.

Inclosure 36 in No. 76.

Supplementary Memorandum sent in on the 7th December.

(Translation.)

1. TOWAGE of tea-laden cargo boats at Hu-kow. It is proposed to use the steamer belonging to the Kiu-kiang Customs to tow boats laden with tea, the property of foreigners, on the Poyang Lake.

The rates for towage to be charged by the Customs will be those charged at Shanghae

for similar service. The Kiu-kiaug Customs will carefully consider what regulations are to be adopted.

2. The opening of coal-mines. The Yamên propose to memorialize the Emperor and obtain His Majesty's order for the Minister Superintendent of the southern ports to direct a careful inspection of places within his jurisdiction, adjacent to a port [or ports], where mining may be practicable without prejudice to fêng-shui, geomancy, tombs, or dwellings. On report being duly made, it will be for the Minister Superintendent to detail the places to be worked, and to depute a competent official to superintend the operations necessary for opening the mines experimentally. China will be left to act quite independently. When coal has been obtained, native and foreign merchants can alike purchase what they require.

The engagement of the necessary foreign assistance, the providence, by purchase or hire, of mining appliances, will be arranged for by the managing official under instructions from the Minister Superintendent.

Inclosure 37 in No. 76.

Red Note accompanying Memorandum of the 7th December.

(Translation.)

THE writers when they visited your Excellency yesterday handed in the reply of the Yamên to your Excellency's several communications and also stated very distinctly the objections on China's part to the three points—inland residence, &c.,—set forth in your Excellency's despatches. They were much gratified by your Excellency's considerate treatment of the question.

The very persistent requests of the merchants have constrained the Yamên to attempt a settlement of some unarranged points.

The Prince of Kung and the writers have held a further consultation, and—waiving the question of inland residence as being quite impractical, injurious to China's sovereign power and national dignity—it would seem that independent action on China's part may still supply the means of carrying out the other two.

They beg your Excellency to peruse the accompanying Supplementary Memorandum, and hope for a satisfactory reply, when it has been carefully considered.

Compliments.

Cards.
[WEN HSIANG.
TAU-TING HSIANG.
TUNG HSUN.]

December 7, 1868.

Inclosure 38 in No. 76.

Draft of Proclamation respecting Inland Transit.

(Translation.)

THE Board of Foreign Affairs issues a Proclamation.

The VIIth of the Supplementary Treaty Rules provides that:—in the case of imports, notice having been given at the port of entry from which the imports are to be forwarded inland of the nature and quantity of the goods, the ships from which they have been landed, and the place inland to which they are bound with all other necessary particulars, the Collector of Customs will, on due inspection made and on receipt of the transit duty, issue a transit-duty certificate. This must be produced at every barrier station and *visé*. No further duty will be leviable upon imports so certificated, no matter how distant the place of their destination.

In the case of exports:—produce purchased by a foreign merchant in the interior will be inspected and taken account of at the first barrier it passes on its way to the port of shipment. A Memorandum showing the amount of the produce and the port at which it is to be shipped will be deposited there by the person in charge of the produce; he will then receive a certificate which must be exhibited and *visé* at every barrier on his way to the port of shipment. On the arrival of the produce at the barrier nearest the port, notice must be given to the Customs at the port, and the transit dues thereon being paid it will be passed. On exportation the produce will pay the Tariff duty. Any attempt to pass goods inwards or outwards, otherwise than in compliance with the rules here laid down,

will render them liable to confiscation. Unauthorized sale *in transitu* of goods that have been entered as above for a port will render them liable to confiscation. Any attempt to pass goods in excess of the quantity specified in the certificate will render all the goods of the same denomination named in the certificate liable to confiscation. The obvious intent of these rules is, that the foreign merchant should carry his imports inland, and convey produce for export to a port as therein provided; and that the transit pass issued by the Superintendent of Customs or the first barrier's certificate should protect the goods from any levy at any inland barrier.

The foreign merchants, however, complain of numerous infractions of these regulations, and the Yamên, besides instructing the high Provincial authorities to have full restitution made in all cases where exactions can be substantiated, and to punish the offending officials, issues the following urgent Proclamation :—

Hereafter, when goods the property of foreigners are in transit inland, whether as imports or for export, the barrier officials shall, on finding that the goods are correctly specified on the transit pass of the Superintendent of Customs, stamp the documents at once, and allow the produce to pass. A delay of more than four hours shall not be permitted, and an endorsement that no levy has been exacted shall be made on the papers. Should the barriers detect unauthorized sale *in transitu* of produce declared to be for export, or an attempt to pass goods in excess of the quantity specified in the certificate, such will be confiscated, and an endorsement having been made on the certificate, the same will be at once communicated to the Superintendent of Customs who issued the pass, so that he may take the proper steps.

If the papers are strictly in conformity with regulation, and the goods correspond in quantity with those noted in the certificate, should any barrier dare to levy exactions thereon, the merchant will request the official to make an endorsement on the papers of the amount levied. This he, or his native agent, will report to the nearest Maritime Customs, and the Superintendent shall thereupon communicate with the Commissioner of Customs, and in conjunction with him depute an officer to proceed with the complainant to investigate the case on the spot. If the amount as endowed has been actually illegally levied, it shall be repaid in full by the Maritime Customs, and the offending official will be reported by the superintendent to the high authorities, who will at once dismiss him from office, and denounce him for further punishment.

If the official at the barrier refuse to endorse on the papers the amount exacted, and make pretexts for detention of the goods beyond the time allowed, the merchant will proceed to the nearest Maritime Customs and complain, and the Superintendent will, in conjunction with the Commissioner, depute an officer to go with the complainant to hold an inquiry on the spot. If money has been exacted it shall be returned in full, and the barrier official shall be made to pay a fair demurrage to the merchant for the delay caused.

But if the goods in transit have been levied upon as undistinguishable from Chinese-owned produce, no transit pass or barrier certificate having been produced, a complaint will not be entertained on a subsequent production of the papers, since the separation of the goods from their proper pass is the fault of the merchant.

Although the goods are in quantity as noted in the certificate, such will be invalid if more than a year have elapsed from the date of issue, and a pass which is not void by lapse of time, but which has been *visé* on any previous occasion, and remains uncancelled, cannot be used a second time. In either case the goods will be liable to inland levies.

After the issue of this Proclamation offenders against it will be punished.

A Special Proclamation.

Inclosure 39 in No. 76.

Draft of Proclamation respecting Inland Residence.

(Translation.)

FOREIGNERS trading in the interior are by Treaty allowed to carry in foreign goods for sale under transit passes, and to purchase produce for conveyance to a Treaty port for export; but when dealing in native reimports they come under the same rules as Chinese, and pay all the usual inland dues.

Such traders cannot reside in the interior or open establishments there; but the Treaty does allow them to remain in their boats, at inns, or at the houses of Chinese. Officials and people, one and all, everywhere should know this after so many years of foreign intercourse.

But lest either officials or people should even now fall short of the Treaty with regard to those foreigners who go into the interior to trade, the Yamên issues these further explicit instructions for their information.

Hereafter, when foreigners, in accordance with Treaties, go into the interior to dispose of foreign goods, or bring away native produce for export, they will not establish themselves permanently or open places of business. But local officials are to offer no opposition whatever to their living as they please in their boats, at inns, or at the houses of Chinese. The populace, too, must treat them with propriety, appealing to the authorities when necessary, or in breach of hospitality subject them to insult or violence.

After this warning any official disregarding Treaties will without fail be denounced for punishment.

If the people anywhere insult or offer violence to foreigners, the local officials on being informed of it by the parties, or discovering such to be the case, must punish the offenders promptly and rigorously, reporting their action for the information of their superiors. No trifling will be allowed.

Inclosure 40 in No. 76.

Sir R. Alcock to the Prince of Kung.

Sir, *Peking, December 7*, 1868.

I HAVE to acknowledge the receipt of your Imperial Highness' communication of the 5th instant, in reply to my letter with its inclosure of the 14th of November. I have also had the advantage of a long interview since with Wên-ta-jen, and other members of the Yamên. I now proceed to reply, in accordance with your Imperial Highness' desire for an early answer.

As regards the further facilities spoken of for inland navigation and residence in the interior, as also the working of mines, while I admit the force of some of the objections adduced, I cannot agree with many of the conclusions drawn. Time will, I trust, do much to modify these, and progress in other directions also may help to remove the chief obstacles to a freer intercourse which now seem to exist. In this hope I have determined to transmit, without further delay, the whole of the correspondence to Her Majesty's Government, as sufficiently clearly indicating the general basis of a revision, the details of which can be more satisfactorily arranged after the receipt of the instructions which Her Majesty's Secretary of State will no doubt send, after taking the Queen's commands.

In the meantime, as it is provided in Article XXVII of the Treaty of Tien-tsin, that a revision shall take place on the demand of either party at the end of ten years, provided notice be given within six months after the end of the first ten years, and that date is near at hand, I have now the honour to give the required notice, pending the arrival of the instructions of Her Majesty's Government as to the precise demands which it may be desired I should make.

To the separate Memorandum inclosed, I will, in a few days, send your Imperial Highness a reply.

I have, &c.
(Signed) RUTHERFORD ALCOCK.

Inclosure 41 in No. 76.

Sir R. Alcock to M. Vlangaly.

Mon cher Collègue et Doyen, *Ling-Kuan-sze, August 5*, 1868.

IT will be in your recollection that in November last I placed in the hands of the foreign Representatives at Peking a Memorandum on the present condition of the Chinese Empire, and internal administration, in connection with a revision of Treaties. My object in taking this step, as I stated, was by a free exchange of opinions to arrive at a mutual understanding on the important question of a revision of Treaties. Although no written communication was received from any of my colleagues on the subject, I was led to conclude, from what passed in conversation, that there was a very general opinion of the impolicy, in the present state of the Empire and during the minority, of seeking any such modifications of existing Treaties as would necessitate fundamental or sweeping changes in the Government and Administration to give them effect.

Entirely in accord with what I believed to be the general sense of my colleagues, I presented in the following month (December) a note to the Yamên, referring to the approaching period fixed by the Treaty of Tien-tsin for a revision, if demanded on either side, of the commercial rules and Tariff, and suggested that a Mixed Commission should be appointed to sit at Peking, and make a preliminary inquiry into various alleged abuses and failure in giving effect to Treaties, and to consider the best means of removing such grounds of complaint if found to exist, and affording, in compensation for loss and damage already sustained by the foreign trade, increased facilities for its extension.

The Yamên assented to my proposition, and for the last six months a Mixed Commission, consisting on the British side of Mr. Fraser, the Senior Secretary of the Legation, and on the part of the Yamên of two Chinese Secretaries, and the Inspector-General of Customs, Mr. Hart, has been sitting.

I caused a full exposition to be laid before the Commission of all the grievances detailed in the printed Memorials of the merchants, with which you are acquainted, and submitted various propositions calculated in my opinion to remove prevailing abuses and restrictions on Trade hitherto preventing its development in violation of the spirit, if not in all cases of the letter, of Treaties.

The result has been a declaration on the part of the Tsungli Yamên of their willingness to accede to many of the proposals made—some unconditionally, and others subject to certain modifications in the Tariff and Trade Regulations.

I have hitherto kept you, our Doyen, and my colleagues, generally informed of the steps I was taking, and the objects I proposed to accomplish through the Commission, and this with the utmost frankness; first, because any idea of obtaining exclusive advantages for British trade or interests was precluded by the favoured-nation clause in all the Treaties, and therefore there could be nothing to conceal; and, secondly, because any good obtained for Great Britain must be for the common benefit of all, and consequently whatever might be done must in the end be acquiesced in by every other Treaty Power before any clauses or modifications could be carried into effect.

The labours of the Commission having now taken a definite form, I am enabled, in further development of these views, to communicate the results, and invite the co-operation of my colleagues by the expression of their opinion as to the acceptability of such measures as are proposed for the purpose of giving fuller effect to existing Treaties, and increased facilities for trade.

I may premise, by way of explanation, that the greatest burdens and restrictions upon trade, and those the most loudly complained of by the several mercantile communities in China as a violation of Treaty stipulations, were all connected with the levy of the leking taxes at the ports and other localities, and the mode of collecting the transit dues; and it was precisely under these two heads that the greatest difficulties have been experienced in arriving at any satisfactory settlement.

Under both these divisions there was, in practice, a wholly irresponsible and arbitrary power of taxation exercised by the provincial authorities, which rendered perfectly valueless all limitation of Tariff rates. At the ports, the moment foreign goods passed into Chinese hands they were liable to a perfectly unlimited and varying taxation. In the interior the same evil was perpetuated, and transit certificates did not suffice to cover foreign goods in their passage to places of consumption even in foreign hands; and in Chinese hands they were at the mercy of the taxing authorities. The same applies to tea and silk on their way to the Treaty ports. Under such a régime the Tariff rates fixed by Treaty ceased to be any protection, and the whole object of their stipulation was defeated. Duties to any amount might be levied at the caprice, or according to the wants, of the provincial authorities, even to a prohibitive extent; and they have in effect constituted so heavy a burden as in many branches of trade to have inflicted the most serious injury, and proved all but prohibitive.

After long discussion it has been admitted that Treaty rights were violated by such proceedings. That foreign trade, whether in imports or exports, by payment of the fixed transit dues of $2\frac{1}{2}$ per cent., could be certificated free from or to any part of the interior, even though in Chinese hands.

On the other hand, the Yamên insist on the unceded right of the territorial Sovereign to tax all goods, whether foreign or native produce, not so certificated, when circulating in the interior, to such extent as the wants of the State may render necessary. But they have admitted that this should be done under Imperial and responsible authority, and with communication to the Foreign Representatives, if not, by public decree, so that these could have the means of judging of the incidence of such taxes, and ascertain that it did not fall disproportionately on foreign trade.

To give effect to these views, the Yamên propose that all imports should pay the

transit dues on landing, at the maritime customs, receiving a transit pass certificating such goods free of all charges whatever to any portion of the interior while *in transitu;* and before passing into consumption, abolishing by Imperial decree all leking and other taxes, of whatever denomination, at the ports on foreign goods.

As regards the staples of the export trade, these can also be certificated for the ports, and relieved from all further duties, provided that, if not shipped to a foreign country but to another port in China, they are then subjected to the same taxation as native produce in native hands.

The inclosed draft of a note which the Yamên propose to write if this should be agreed upon, will give the details of these measures.

It will be observed that the only possible objection to a payment of a transit due on all imports—that none ought rightly to be levied on goods sold at the ports—however true in theory, is of no weight when the right to levy that or five times the amount under another name, whether as an octroi or a leking tax, the moment they pass into Chinese hands, is asserted and exercised. It is in the interest of the goods sold *sur place* even, to exempt them by a payment of $2\frac{1}{2}$ per cent. from uncertain and unlimited taxation, as they will be more saleable and fetch a better price by reason of such exemption.

The inclosed Memorandum concludes with a proposition to revise the whole Tariff with a view to equalizing the rate on all articles to 5 per cent., excepting tea and silk, on which in a former note the Yamên had proposed that the duty should be doubled.

This would not constitute a very heavy duty, judged by European rates of taxation: and it might be well compensated by the reduction of duty on many other articles which the proposed equalization would effect; although it is probable that such increase would be very unpopular among the merchants, who, as a general rule, want everything reduced, and are never willing to listen to any reasons justifying an increase, though as a part of a general measure eminently calculated to benefit them.

These are the points affecting the Tariff and taxation of trade. In various other directions they have expressed their willingness to make unconditional concessions with the view of facilitating trade, both in the interior and on the coast. These may be summed up thus:—

1. The framing of a code and rules of procedure for Mixed Courts.
2. The establishment of bonded warehouses.
3. The payment of drawbacks in specie if within the current quarter, and their receipt in payment of duties for three years.
4. To regularize payment of duties by fixing the value of sycee at each port.
5. To provide for steam requirements by allowing foreign machinery and assistance in working coal mines.
6. To free dock materials from duty, and to admit all household goods and personal effects, not for sale, also free.
7. To issue an edict, declaring the right to trade, and temporary residence throughout the interior.
8. To authorize inland navigation by foreign vessels (not steamers) for the transport of foreign goods.
9. To assist the expansion of steam traffic on the Yang-tsze by the addition of certain landing stages for shipment and landing of goods and passengers at certain places other than the ports already opened, namely, at Ta-tung, Ngan-king, and Wu-hu.
10. To open the port of Wên-chow, between Ningpo and Fu-chow, and also possibly others, if desired.

They refuse to admit foreign salt, to allow steam navigation of inland waters, and right of domicile in the interior; unless, as regards the latter, Treaty Powers are prepared to renounce in regard to such residents the exterritorial privileges. These are the only three propositions discussed to which a negative has been given.

From this brief summary of facilities offered, and advantages or concessions obtainable, I think, with the aid of the inclosed note, you and my colleagues will be enabled to form a clear opinion as to the policy of acquiescing in the arrangements now proposed. And as I desire very much in the common interest to learn, with as little delay as possible, how far your views, and those of my colleagues generally, are in accordance with my own, I think it right to put you in possession of these frankly and plainly.

The British Government is alone entitled at the present time to demand any revision—the date fixed for such a demand on the part of other Powers being more remote. I do not think, however, it is in the interest of any foreign Power to press for any fundamental changes now. Nor is Her Majesty's Government even by Treaty entitled to demand anything beyond a revision of the Trade Regulations and Tariff.

Within those limits the Yamên has, I think, offered with good-will to grant nearly all that could for the present either be wisely asked by foreign Powers or safely granted by the Emperor of China. If more were even to be extorted by pressure, I do not think it would be practically in the power of the Chinese Government to give it effect.

I believe that the arrangements contemplated for the abolition of the leking taxes, and the protection of all produce, foreign and native, in transit (inland or coastwise), if carried out in good faith—and such I believe to be the intention and wish of the Yamên—will be an immense gain to all foreign trade, and effectually remove the greatest drawbacks and grievances under which it has laboured since the last Treaties were signed.

I believe that the other measures, enumerated from 1 to 10, include all that is most essential and immediately practicable for the improvement of our relations and the development of trade.

With these convictions, I am prepared to recommend their acceptance by Her Majesty's Government, leaving it open for further consideration whether any revision of the Tariff, subject to the condition of an increased tax on tea and silk, shall be declined or accepted. And so in like manner as to the opening of more ports on the coast, about the advantage of which there is great doubt among the merchants themselves, and some conflict of opinion.

Of course, to give such action on my part practical effect, it is necessary that Her Majesty's Government should also be advised how far my colleagues the Representatives of the other Treaty Powers are disposed to adopt the same views and make a similar recommendation to their respective Governments; and it is with this object that I now write to you as our Doyen, and beg you to be good enough to enter into communication on the subject with the other members of the Corps Diplomatique in Peking.

I avail, &c.

(Signed) RUTHERFORD ALCOCK.

Inclosure 42 in No. 76.

Count de Lallemand to Sir R. Alcock.

M. le Ministre et cher Collègue, *Péking, le 9 Août*, 1868.

VOTRE lettre du 5 de ce mois m'est parvenue le 7. J'ai attendu, pour y répondre, que notre Doyen m'eût communiqué les pièces dont vous me parliez, et que vous lui aviez adressés. Je les ai reçu ce matin, et je viens vous en dire mon sentiment sur une première impression.

C'est une pensée juste et digne d'encouragement, que celle de mettre le commerce étranger et le commerce Chinois en Chine sur le même pied autant que possible, et telle est la tendance des diverses mesures proposées par le Tsungli Yamên. Mais les améliorations sur l'état de choses actuel qui résulteraient certainement de l'ensemble de ces mesures, si elles étaient réellement exécutées, seront-elles, ou paraîtront-elles, suffisamment compensée par l'élévation du simple au double des droits sur la soie et sur le thé? J'en doute un peu, et voici pourquoi. On sait par expérience, ou l'on croit savoir, que le Tsungli Yamên, ou plutôt le Gouvernement de Péking, n'a plus grand empire sur l'administration des provinces, et que dans le traitement, bon ou mauvais, à faire au commerce, ce seront toujours les fonctionnaires provinciaux qui auront la part principale. Dès lors on est tenté de se dire: Voilà des améliorations que le Tsungli Yamên nous offre de bonne foi et de bonne volonté, nous le voulons bien croire: mais de là à l'exécution, à la pratique réelle, il y a encore de l'intervalle, car nous savons que l'autorité du Tsungli Yamên n'est pas prépondérante dans les provinces, et ce qu'il nous promet ici ne sera peût-etre exécuté que très imparfaitement loin de Péking.

Ce qui sera exécuté en perfection, si nous l'accordons, c'est la perception du droit double sur les thés et sur les soies. Nous sommes donc exposés, en accordant sans précaution le doublement du droit, à payer comptant, et d'une manière irrévocable, des avantages qu'on nous aura donnés sur le papier à Péking (même de bonne foi), mais dont l'exécution est incertaine et éventuelle. Je serais donc d'avis, si le doublement sur le thé et sur la soie doit être accordé, qu'il ne le soit qu'après deux années d'épreuve des améliorations promises, et après qu'on se sera ainsi assuré que les améliorations ont passé sous la pratique. Ce serait le prix et la récompense du régime meilleur que les Chinois auraient fait au commerce.

Quant aux concessions offertes, elles sont médiocres, il le faut avouer. Le droit de naviguer à la rame et à la voile sur les eaux intérieures est à peine une concession; c'est la navigation à vapeur qu'on demande, et dont le commerce a besoin. Supposé qu'elle ne puisse être accordée sur les canaux, ce qui se conçoit, elle devrait l'être au moins sur les

grands lacs, tels que le Poyang et autres, où l'incertitude de vents fait perdre beaucoup de temps aux convois à voile. Il faudrait au moins que l'usage des petits remorqueurs à vapeur y fût autorisé.

Je trouve aussi bien maigres et bien timides les termes dont se sert le Yamên pour ouvrir aux étrangers l'accès des mines de charbon : " On permettra l'emploi du matériel étranger et l'assistance des étrangers pour l'exploitation des mines de charbon." Ne pourrait-on pas dire nettement, " Le Gouvernement s'engage à autoriser les étrangers à exploiter les mines de charbon de terre avec leur propre matériel, et à faire les établissements nécessaires à cet effet ?"

Le droit de résidence temporaire à l'intérieur n'est pas une concession. Nous l'avons dès-à-présent, aux termes du Traité Français du moins ; cela n'est pas douteux. Mais comme on ne s'en est pas servi jusqu'à présent, il n'y a pas de mal à ce qu'un Décret Impérial publie ce droit. Seulement, la seule limitation que nous y puissions admettre, à mon avis, c'est celle de posséder en toutes propriétés des immeubles ; la faculté d'avoir en location des maisons et des magasins, et d'y habiter, doit être complète.

Sous le bénéfice de ces observations, je ne demande pas mieux que de recommander à Paris, dans leur ensemble, les propositions que vous avez reçues du Tsungli Yamên, et il est vraisemblable que si elles satisfont le " Foreign Office," on ne se montrera pas plus difficile à Paris qu'à Londres. Je ne crois pas, cependant, qu'on soit disposé à renoncer d'avance et expressément au droit de reviser notre Traité en 1870, et il n'est pas de l'intérêt commun que nous le fassions, ce me semble. Il y a, d'ailleurs, dans ce Traité une ou deux clauses relatives à la liberté et à la sûreté des missionnaires et des Chrétiens qui ne sont pas assez explicites, et qui n'ont pas eu l'effet que nous avions en vue. Je serais d'avis, si l'on me consulte, que ces clauses soient revisées ; mais elles sont particulières à la France, et n'affecteraient pas la condition des autres nations qui ont traité avec la Chine.

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(Signé) A. DE LALLEMAND.

(Translation.)

M. le Ministre and dear Colleague, *Peking, August 9, 1868.*

YOUR letter of the 5th instant reached me on the 7th. Before answering it, I waited till our Doyen had communicated to me the documents about which you spoke to me, and which you had sent to him. I received them this morning, and I proceed to give you my views on them on a first impression.

The thought of placing foreign commerce and Chinese commerce in China, as far as possible, on the same footing, is a just one, and one worthy of encouragement, and such is the tendency of the various measures proposed by the Tsung-li Yamên. But will the improvement on the actual state of affairs, which would doubtless result from all these measures, be, or will they appear to be, sufficiently compensated by raising from simple to double the duties on silk and tea? I rather doubt it, and for this reason. We know by experience, or we think we know, that the Tsung-li Yamên, or rather the Government of Peking, has no longer much authority over the administration of the provinces, and that in the treatment of commercial interests, whether for good or evil, the provincial functionaries will always take the leading part. We are, therefore, tempted to say to ourselves : Here are improvements which the Tsung-li Yamên offer us in good faith and willingly, as we are ready to believe ; but between offering them and carrying them into actual execution there is some distance, for we know that the authority of the Tsung-li Yamên does not preponderate in the provinces, and what they here promise us will perhaps be carried out only very imperfectly at a distance from Peking.

What will be carried out to perfection, if we yield to it, is the collection of the double duty on teas and silks. We are thus exposed, in according without precaution the doubling of the duty, to pay down, and irrevocably, for advantages which they will have given us on paper at Peking (in good faith no doubt), but the carrying out of which is uncertain and eventual. I should, therefore, be of opinion that if the doubling of the duty on tea and silk is to be granted, it should only be after two years' trial of the promised improvements, and after we shall thus have assured ourselves that the improvements have been actually put in practice.

As to the concessions offered, they are trifling, it must be confessed. The right of navigating internal waters in rowing- and sailing-boats is scarcely a concession ; it is steam navigation which is asked for, and which is required by commerce. Supposing this cannot be conceded on the canals, which we can understand, it ought to be so at least on the great lakes, such as the Poyang Lake and others, where the uncertainty of the winds occasion great loss of time to sailing-vessels. The use of small steam-tugs, at least, should be allowed.

I consider also that the terms employed by the Yamên in giving foreigners access to coal-mines are very meagre and timid: "The employment of foreign material and the assistance of foreigners will be allowed for working coal-mines." Could not they say simply, "The Government engages to allow strangers to work coal-mines with their own plant, and to set up the establishments necessary for doing so?"

The right of temporary inland residence is not a concession. We have it now, at least, by the terms of the French Treaty; this is undoubted. But as no use has hitherto been made of it, there is no harm in the publication of this right by Imperial Edict. Only the sole limitation which we can admit to it, to my mind, is that of possessing all kinds of real property; the power of leasing houses and shops, and of inhabiting them, ought to be complete.

Subject to these remarks, I have no objection to recommend at Paris, as a whole, the proposals you have received from the Tsung-li Yamên, and it is probable that if these should satisfy the Foreign Office, they will not be more difficult to please in Paris than in London. I do not think, however, that they will be disposed to give up beforehand and specifically the right of revising our Treaty in 1870, and it is not for our common interest that we should do so, as it appears to me. There are, moreover, in that Treaty one or two clauses relating to the liberty and security of missionaries and Christians which are not sufficiently explicit, and which have not had the effect we had in view. I should be of opinion, were I consulted, that these clauses should be revised; but they relate only to France, and would not affect the position of other nations having a Treaty with China.

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(Signed) A. DE LALLEMAND.

Inclosure 43 in No. 76.

Dr. Williams to Sir R. Alcock.

My dear Colleague, *Peking, August* 13, 1868.

I HAVE carefully looked over the papers which you gave me relating to the revision of the British Treaty, and desire to express my gratification at the encouraging evidences they exhibit of progress on the part of the Chinese in understanding their political and commercial relations with other nations. The different position of things between Great Britain and China under which these present discussions have been carried on, and those attending the two former Treaties of 1842 and 1858, forms of itself one of the most marked evidences of beneficial progress in this part of the world.

The two noteworthy points in this *précis* relate to the establishment of the Mixed Court, and to the regulation of the leking and other unauthorized taxes on trade points which, if once established, will gradually work most desirable results. The Mixed Court will become a school of instructive practice to the native officials connected with it and, I should think, serve even as the beginning of a reform in the jurisprudence of the country, and we both know that that means to change judicial wrong and torture into just and legal punishment directed by officials acquainted with their duties. It is a great step to get the Foreign Office to initiate such a Court, even though its slow progress be attended with many drawbacks, and I shall most earnestly support its establishment.

It will be of lasting service to the trade if you can induce this Government to subject such capricious levies as the leking taxes to some well-understood control. In a country where an income tax is impossible and an excise tax vexatious, and the duty on imports and exports fixed by a Treaty Tariff, the rulers may perhaps be excused for increasing their uncertain revenue by imposing transit and other charges on produce and cargo as they can; but if they can be only brought to see the advantages of a legal, well-known rate of charges, by seeing that they produce more revenue with less irritation, the progress will be great. I think that your proposition to have all these uncertain charges brought under the cognizance of authorized accountable officers, has everything to recommend it as a practicable solution of the present grievances. I am afraid that it may fail of doing what we can reasonably look for, but it is much to have the new plan agreed to and tried.

In regard to alterations in the Tariff, whose revision comes within your plan, it will perhaps be advisable to restrict them to bringing every article under a uniform rule of 5 per cent. *ad valorem* on all imports and exports. The list of free goods might be usefully made more precise, so as to avoid in future some disputes which have already arisen as to the kind of articles included under such general terms as "ships' stores" and "household stores."

The ten points specified in your Minute include some of considerable importance, and I agree with most of them as beneficial and practicable. I am afraid that all rules will be

inoperative in respect to the fourth item, however, as long as the money of China is one of account and not of currency, in the proper sense of the word, is issued by Government. I do not believe any rules can regulate the quality of sycee; for when the Chinese are able to issue and maintain a gold and silver currency, then only will their bullion conform to it. From the nature of the case, all efforts to regulate its quality, supply, or exchange, will, I fear, fail.

The opening of new ports involves so many other points than merely finding new marts for trade that one hesitates, especially when it is seen that, of the old ones, Kiung-chow in Hainan has not been occupied, and others have disappointed their promise. To the three proposed stopping places on the Yang-tsze I would add Kwei-chow, or a convenient place opposite to Chin-kiang, unless this port can be extended so as to include a subsidiary landing-place on the northern bank of the river within its own jurisdiction. Then, too, the port of Kiu-kiang might be extended to include Hu-kow, at the mouth of the Poyang Lake, for the strong current prevents native boats from getting up to Kiu-kiang, about eighteen miles distant. This disability is so great, and causes so much delay at the entrance of the lake, waiting for a fair wind, that many of them take a circuitous inland route in preference. But on this last point I suppose a Joint Commission could get all the information in good time respecting all the ports to be used as stopping-places along the river, and their report would furnish reliable data.

The Minute furnished you from the Foreign Office respecting the modifications which its members can see their way clear to adopt in the Treaty, does them much credit in its spirit and argument, and is another evidence of progress and assimilation of views. While we are urging our privileges they claim that native merchants should not be, in their own country, placed on a worse footing than foreigners—a most reasonable demand.

In fine, my dear Sir Rutherford, I congratulate you on the progress made, as shown in the result of your discussions upon the proposed alterations in the British Treaty. It is a victory of peace, and perhaps more permanent than one of another kind. The points which the Chinese have refused are probably those on which they feel that neither they nor their subjects are yet ready; but these, and still greater changes, will, I hope, be introduced among them in the same peaceful manner, as they are prepared to receive them by the natural gradual results of the changes now going on. In affecting this, harmony of action among those engaged in the work is exceedingly desirable.

(Signed) S. WELLS WILLIAMS.

Inclosure 44 in No. 76.

Baron Rehfues to M. Vlangaly.

Mon cher Collègue et Doyen, *Tachiaosze, le* 18 *Août*, 1868.

EN vous renvoyant ci-joint les différentes pièces par lesquelles Sir Rutherford Alcock nous a communiqué le résultat de ses négociations avec le Gouvernement Chinois par rapport à la révision du Traité de Tien-tsin, je m'empresse de vous rendre compte de l'impression que m'a laissé la lecture dec es documents, ainsi que notre collégue de Grande Bretagne en a exprimé le désir.

Mais avant d'entrer dans l'examen des différentes questions qui se présentent à cette occasion, je dois d'abord vous rappeler que dans le Traité conclu en 1861 entre la Prusse et les autres Etats Allemands d'une part, et la Chine d'autre part, un intervalle de dix années révolues, à partir du jour de l'échange des ratifications, a été stipulé pour la révision du Traité, de manière que les Etats intéressés ne sont appelés à réclamer des changements quelconques, soit dans le Tarif, soit dans les Réglements Commerciaux en général, qu'à l'expiration de cette période de dix ans, c'est-à-dire, en 1872. En prenant donc une part active dans les négociations entre la Grande Bretagne et la Chine relativement à la révision du Traité de Tien-tsin, les Etats Allemands ne peuvent et ne doivent pas renoncer au droit de demander à leur tour en 1872 les changements qu'ils jugerout nécessaires de réclamer: ils doivent, à mon avis, d'autant moins renoncer à cette faculté que cette année promet d'être plus favorable que le moment actuel pour obtenir des concessions importantes, à cause des changements qui seront survenus alors dans les sphères les plus élevées du Gouvernement aussi bien que dans l'esprit et les sentiments des populations. Cette réserve toute naturelle sera du reste partagée, j'en suis convaincu, par les autres Gouvernements qui ont fait des Traités avec la Chine, et j'aurais peut-être pu me passer de la relever si le passage final du mémoire Chinois, conçu dans ces termes:—"Nous devons communiquer avec les autres Représentants étrangers à Péking afin que l'arrangement conclu entre nous puisse avoir un effet général;"—ne donnait lieu à supposer que, dans la pensée des Ministres Chinois une adhésion des autres Gouvernements aux arrangements actuels entre la Chine et la Grande Bretagne devrait nécessairement contenir de leur part

la rénonciation à toute révision ultérieure à l'époque fixée par les différents Traités. Si telle était l'intention du Yamên ce serait là une condition inacceptable, et les autres Gouvernements n'auraient, dans ce cas, d'autre choix que de réclamer tout simplement, par la clause de la nation la plus favorisée, tous les avantages obtenus actuellement par la Grande Bretagne, et d'attendre l'époque fixée pour la révision de leurs Traités respectifs. Le cas échéant je regarderais comme un devoir de ne pas laisser à cet égard des doutes au Gouvernement Chinois. A part cette restriction je suis d'avis que les intérêts de tous les Gouvernements étrangers sont solidaires en Chine, et qu'ils se doivent assistance mutuelle dans tous les cas où il s'agit d'obtenir soit de nouvelles concessions d'un intérêt général, soit le redressement de justes griefs de tous les Gouvernements ou de l'un d'entre eux. Dans cet ordre d'idées, je pense que tous les Gouvernements sont intéressés dans la révision du Traité de Tien-tsin, qui est pour ainsi dire le père nourricier de tous les autres Traités, et qu'ils ont l'obligation de soutenir auprès du Yamên toutes les réclamations d'un intérêt général que le Représentant de Sa Majesté Britannique poursuit actuellement en vue de la révision du Traité de Tien-tsin. Aussi je suis tout prêt à agir dans ce sens, lorsque j'y serais appelé, étant sûr d'avance de rencontrer l'approbation de mon Gouvernement.

Pour ce qui regarde les différentes questions qui ont été traitées dans la Commission Mixte et auxquelles Sir Rutherford fait allusion dans sa lettre, je dois avouer qu'à mon grand regret je ne suis pas aussi avancé dans leur étude que j'aurais désiré d'être avant de donner une opinion motivée à leur égard. J'aurais bien voulu connaître les négociations qui ont eu lieu par rapport à quelques unes de ces questions, principalement celles qui concernent le Tarif et la proposition de doubler les droits sur le thé et la soie ; et la communication des trois Mémoires dont le dernier Mémoire du Yamên fait mention serait peut-être d'une grande utilité afin de juger l'opportunité et la possibilité de ces importants changements dans le Tarif.

Si j'ai bien compris l'esprit des négociations qui ont eu lieu sur la révision du Traité de Tien-tsin, le Représentant de la Grande Bretagne paraît avoir pris comme point de départ la conviction que le Traité en lui-même est bon, et ne réclame pas d'altération dans ses principales stipulations, qui sont en harmonie avec la situation actuelle de la Chine, mais que c'est principalement la stricte exécution du Traité qui jusqu'ici a fait défaut et qu'il faudrait assurer à l'avenir. C'est dans ce point que se rencontrent les intérêts de toutes les Puissances ; car elles souffrent toutes également, les proportions gardées, des entraves dont la malveillance et la rapacité de l'Administration Chinoise sont parvenues à entourer, non obstant les stipulations claires des Traités, toutes les transactions commerciales entre étrangers et indigènes. Mais rien n'a, à mon avis du moins, autant contribué à dénaturer les relations commerciales de la Chine avec l'étranger que ce systéme de taxation arbitraire qui, à titre de leking, taxes de guerre, droits de transit, et autres dénominations, pèsent depuis longtemps sur toutes les marchandises étrangères et indigènes lorsqu'elles passent d'une main à l'autre, et je ne puis qu'applaudir à la résolution de faire cesser ces abus à l'occasion de la révision du Traité du Tien-tsin.

En tant que je suis à même de le juger dès à présent, les propositions faites dans ce but me paraissent bien conçues et elles offrent peut-être le seul moyen pour remédier aux abus mentionnés. En général le principe de placer les indigènes et les Européens sur la même ligne semble fondé en justice ; il offre en outre l'avantage de faire cesser l'animosité qui se produit entre les deux parties par rapport à la différence de position et l'inégalité des charges qui leur sont imposées. On ne saurait cependant pas se refuser à la considération que les commerçants étrangers perdront des avantages dans le nouvel ordre des choses, et qu'ils seront forcés d'acheter l'exécution d'un droit garanti par les Traités moyennant le paiement d'un droit de transit de $2\frac{1}{2}$ pour cent sur toutes les marchandises importées. Le résultat dépendra uniquement de l'esprit que le Gouvernement Central et les autorités locales mettront dans l'exécution des nouvelles mesures, et je ne vois pas d'autre garantie contre le renouvellement des infractions contre les Traités que la bonne volonté, au moins douteuse, des autorités localales.

Quant à la proposition de remplacer toutes les positions du Tarif, à l'exception du thé et de la soie, par un droit de 5 pour cent *ad valorem*, je me trouve hors d'état de prononcer un avis, et je dois réserver à cet égard l'opinion de mon Gouvernement. Doubler l'impôt sur le thé et la soie, presque les seuls objets d'exportation que la Chine offre, me paraît une mesure qui certainement entraînerait des sérieuses réclamations de la part des Chambres de Commerce de tous les pays. Mais comme l'intérêt d'Allemagne par rapport à ces deux articles est secondaire et en tout cas inférieur à celui de la Grande Bretagne, de la France, de la Russie, et de l'Amérique, il me semble que la décision dépendra uniquement de ces Gouvernements.

Dans le Mémoire Chinois il n'est rien dit des articles qui jusqu'ici étaient importés

en franchise des droits, et il s'agit de savoir si, d'après l'idée du Yamên, ils continueront de jouir de cette exemption ou s'ils sont compris dans le Tarif général de 5 pour cent qui doit être perçu à l'avenir. Cette question est assez importante pour l'Allemagne, puisque plusieurs articles de son industrie se trouvent, dans le Traité du 2 Septembre, 1861, classifiés parmi les marchandises importées en franchise de droits. Il en est de même pour les matériaux destinés à la construction et à l'approvisionnement des navires, ainsi que les objets de ménage et les effets personnels qui, d'après le plan de reforme, devront à l'avenir seulement jouir de l'exemption des droits dans le cas qu'ils seraient destinés à l'usage personnel de l'importeur.

A dire la vérité je crains que cette idée de n'admettre qu'un seul tarif de 5 pour cent pour toutes les marchandises ne présente une grande difficulté pour l'entente, parceque les Tarifs des différents Traités sont calculés d'après les exigences de l'industrie de chaque pays; et je ne pense pas que les Gouvernements puissent abandonner ce principe à moins de grands avantages ou compensations qui leur seraient offertes. Je ne vois dans cette proposition de la part du Gouvernement Chinois qu'un désir de simplifier les travaux de la Douane, et ce serait dans ce cas uniquement une mesure de convenance administrative qui ne saurait être adoptée que dans le cas que l'exécution serait possible sans porter atteinte à des intérêts majeurs des différents Etats et de leur industrie.

D'après les opinions exposées dans les fameux Mémoires de Tsêng Kwo-fan et de ses collègues je n'ai pas été surpris d'apprendre que le Yamên oppose le *non possumus* à l'admission du sel étranger, des bâteaux à vapeur, et du droit de domicile à l'intérieur. Le refus d'admettre le sel s'explique par la circonstance que cet denrée est monopole en Chine. et que le commerce en est interdit aux indigènes. La navigation dans l'intérieur qui les années passées était vivement désirée par le commerce Européen, ne fût-ce que par bâteau à voile, n'est plus d'une grande utilité dans ce moment si les vapeurs en sont exclus. Peut-être serait-ce possible d'admettre les petits vapeurs sur les lacs et les grands fleuves.

La question vitale et qui offre en même temps les difficultés les plus sérieuses est sans contredit la faculté de la résidence dans l'intérieur, c'est-à-dire, le droit d'acquérir des propriétés en dehors des ports ouverts sur les côtes. Si d'un côté les Représentants étrangers se trouvent hors d'état de protéger suffisamment leurs nationaux qui s'établissent dans l'intérieur en dehors de la sphère d'action des Consuls, il me paraît de l'autre côté inadmissible que les Puissances renonçassent à la juridiction sur leurs nationaux établis dans l'intérieur dans les conditions voulues par le Yamên, puisqu'elles ne sauraient en pratique refuser la protection à ceux d'entre eux qui auraient de sérieux griefs contre les autorités Chinoises. La difficulté resterait la même si l'un ou l'autre des marchands serait parvenue, dans des circonstances favorables, à s'établir dans l'intérieur sans avoir souscrit à la condition demandée par le Gouvernement Chinois. En tenant compte de ces difficultés, on serait portée à croire que le droit de voyager, d'acheter et de vendre librement dans l'intérieur, pourrait pour le moment suffire aux exigences du commerce étranger.

Si je ne me trompe la manière de voir de nos collègues sur ces différents points est à peu près le même, et il ne me semble pas trop difficile de rallier les intérêts de tout le monde. La seule difficulté sérieuse pourrait être provoquée, ainsi que je l'ai suggéré plus haut, par l'unification du Tarif et le projet de doubler les impôts sur le thé et la soie. Dans tous les cas je dois me déclarer incompétent de trancher dès à présent cette matière par un avis décisif.

En vous soumettant ces observations, mon cher collègue, et en vous priant de les communiquer à nos collègues, il ne me reste qu'à ajouter que je m'empresserai de rapporter dans ce sens à mon Gouvernement, et qu'en attendant je suis tout prêt à concourir, dans la limite de mes pouvoirs et avec les restrictions susindiquées, qui me sont imposées par la nature des choses, à l'établissement d'une entente préalable par rapport à la révision du Traité de Tien-tsin. J'ai cru inutile d'entrer ici de nouveau dans une discussion sur les questions qui nécessiteraient des changements radicaux dans la politique et l'administration de la Chine, puisque les échanges d'idées qui ont eu lieu dans le temps à leur égard ont constaté une entière identité dans la manière de voir de nos collègues et la conviction de nous tous que le moment actuel n'est pas favorable pour les mettre sur le tapis.

Veuillez, &c.

(Signé) REHFUES.

(Translation.)

My dear Colleague and Doyen, *Tachiaosze, August* 18, 1868.

IN sending you herewith the various documents in which Sir R. Alcock has communicated to us the result of his negotiations with the Chinese Government in regard to the revision of the Treaty of Tien-tsin, I hasten to inform you of the impression I have

received from the perusal of those documents, in accordance with the wish expressed by our British colleague.

But before proceeding to an examination of the different questions that present themselves in regard to this matter, I must first remind you that, in the Treaty concluded in 1861 between Prussia and the other German States of the one part, and China of the other, it was stipulated that there should be an interval of ten years complete, dating from the day of the exchange of the ratifications, before the revision of the Treaty, so that the States interested in the matter should not be called upon to ask for any changes whatsoever, whether in the Tariff, or in the general Commercial Regulations, until the expiration of that period of ten years, that is to say, in 1872. Therefore, while taking an active part in the negotiations between Great Britain and China in regard to the revision of the Treaty of Tien-tsin, the German States cannot and ought not to renounce the right to ask in their turn in 1872 for the changes they may deem necessary to claim; they ought, in my opinion, the less to renounce this right that that year promises to be more favourable than the present moment for obtaining important concessions, owing to the changes which will then have taken place in the highest spheres of the Government, as well as in the spirit and opinions of the population. This very natural reservation will moreover be shared, I am convinced, by the other Governments which have concluded Treaties with China, and I might perhaps have abstained from calling attention to it, if the last passage of the Chinese Memorandum, conceived in these terms:—"We must communicate with the other foreign Representatives at Peking, in order that the arrangement concluded between us may be made general;"—did not give reason to think that, in the opinion of the Chinese Ministers, the adhesion of the other Governments to the arrangements existing between China and Great Britain would of necessity include the renunciation on their side of all further revision at the dates fixed by the various Treaties. If such was the intention of the Yamên, it would constitute a condition which could not be accepted, and the other Governments, in that case, would have no choice but to claim simply, under the most-favoured-nation clause, all the advantages actually obtained by Great Britain, and to wait the time fixed for the revision of their respective Treaties. If the occasion arises, I shall consider it a duty not to allow the Chinese Government to remain in doubt on that point. Apart from this reservation I am of opinion that the interests of all foreign Governments are bound up together in China, and that they owe each other mutual assistance in all cases where there is a question of obtaining either new concessions of general advantage, or the redress of just grievances of all the Governments, or of any one of them. Agreeably to this view I think that all the Governments are interested in the revision of the Treaty of Tien-tsin, which is, so to say, the foster father of all the other Treaties, and that it is their duty to support with the Yamên all concessions of general interest which the Representative of Her Britannic Majesty is actually endeavouring to obtain, with a view to the revision of the Treaty of Tien-tsin. I am therefore quite ready to act in this manner when called on to do so, certain as I am beforehand to meet the approval of my Government.

As regards the different questions which have been dealt with by the Mixed Commission, and to which Sir R. Alcock makes allusion in his letter, I must confess, to my great regret, that I am not as well advanced in their study as I could wish to have been before giving an explanatory opinion about them. I should wish to have known what negotiations took place in regard to some of these questions, principally those which relate to the Tariff, and the proposition to double the duties on tea and silk; and the communication of the three memoranda, of which mention is made in the last memorandum of the Yamên, would perhaps be of great use in enabling me to judge of the opportuneness and possibility of these important changes in the Tariff.

If I have rightly understood the spirit of the negotiations which have taken place relative to the revision of the Treaty of Tien-tsin, the Representative of Great Britain appears to have taken as a starting-point the conviction that the Treaty is in itself a good one, and does not demand alteration in its principal stipulations, which are in harmony with the actual position of China, but that it is more particularly the strict execution of the Treaty which up to this time has been at fault, and which it is necessary to insure for the future. This is the point in which the interests of all the Powers meet, for they all alike suffer proportionately from the obstacles with which the ill-will and rapacity of the Chinese Administration have contrived to surround, in spite of the clear stipulations of Treaties, all commercial transactions between foreigners and natives. But nothing has, to my mind at least, so much contributed to pervert the commercial relations between China and foreign countries as that system of arbitrary taxation which, under the name of leking, war taxes, transit dues, and other denominations, has long weighed

down all foreign and indigenous merchandize in its passage from hand to hand, and I an but applaud the resolution to put an end to these abuses on the occasion of the revision of the Treaty of Tien-tsin.

In so far as I am at present in a position to judge, the propositions made with this object appear to me well conceived, and they offer perhaps the only means of remedying the abuses referred to. As a general rule, the principle of placing natives and Europeans on the same footing seems founded on justice; it moreover presents the advantage of causing to cease the animosity which is produced between the two parties in regard to the difference of position and the inequality of the charges which are imposed on them. We cannot, however, ignore the consideration that foreign merchants will lose advantages under the new order of things, and that they will be forced to buy the execution of a right guaranteed by Treaties by means of the payment of a transit duty of $2\frac{1}{2}$ per cent. on all imported merchandize. The result will depend entirely on the spirit in which the Central Government and the local authorities shall put into execution new measures, and I see no other guarantee against the renewal of infractions of Treaties than the good will, which is, to say the least, doubtful, of the local authorities.

As to the proposal to replace all the Tariff arrangements, with the exception of tea and silk, by a duty of 5 per cent. *ad valorem*, I am not in a position to express an opinion, and I must reserve on this point the opinion of my Government. To double the tax on tea and silk, almost the only articles of exportation which China offers, appears to me a measure which would certainly call forth serious remonstrances from the Chambers of Commerce of all countries. But, as German interests in regard to these two articles are secondary, and in all respects inferior to those of Great Britain, of France, of Russia, and of America, it appears to me that the decision will depend solely on those Governments.

In the Chinese memorandum nothing is said of those articles which hitherto have been imported free of duty, and it is necessary to know whether, in the opinion of the Yamên, they will continue to enjoy that exemption, or if they are included in the general Tariff of 5 per cent. which is to be collected for the future. This question is sufficiently important for Germany, since many articles of their manufacture are found in the Treaty of the 2nd of September, 1861, classified in the list of goods imported free of duty. It is the same with regard to materials destined for the construction and equipping of ships, as well as articles of household use and personal effects, which, according to the plan of reform, will in future only enjoy exemption from dues when destined for the personal use of the importer.

To say the truth, I fear that this idea of admitting one only Tariff of 5 per cent. on all kinds of merchandize will present great difficulty in the carrying out, because the Tariffs of different Treaties are calculated according to the requirements of the industry of each country; and I do not think that the (various) Governments can abandon this principle, except in return for some great advantages or compensation which might be offered to them. I see nothing in this proposition on the part of the Chinese Government but the desire of simplifying the labours of the Custom-house, and it would, in that case alone, be a measure of administrative convenience, which could only be adopted provided it were possible to carry it into execution without causing injury to the more important interests of the different States and of their industry.

From the opinions expressed in the celebrated memoranda of Tsêng Kwo-fan and of his colleagues, I have not been surprised to learn that the Yamên opposes the *non possumus* to the admission of foreign salt, of steam-boats, and of the right of residence in the interior. The refusal to admit salt is explained by the circumstance that that commodity is a monopoly in China, and that traffic therein is prohibited to natives. Internal navigation, which of late years has been greatly wished for by European commerce, were it only in sailing-vessels, is no longer of much use at the present time if steam-boats are excluded. It might perhaps be possible to admit small steam-boats on the lakes and great rivers.

The vital question, and that which at the same time offers the most serious difficulties, is, it cannot be denied, the right of residence in the interior, that is to say, the right to acquire property beyond the open ports on the coasts. If, on the other hand, the foreign Representatives are not in a position to give sufficient protection to their subjects who may establish themselves in the interior beyond the Consul's sphere of action, it appears to me on the other hand inadmissible that the Powers should renounce their jurisdiction over their countrymen established in the interior under the conditions desired by the Yamên, because in practice they would be unable to refuse protection to such of them as might have serious grievances against the Chinese authorities. The same difficulty would still remain if one or other of the merchants had succeeded, under favourable circumstances, in establishing himself in the interior without having subscribed to the condition demanded by the Chinese Government. In estimating these difficulties, one would be inclined to

think that the right of travelling, of buying and selling freely in the interior, might for the moment suffice to meet the necessities of foreign commerce.

If I am not mistaken, the views of our colleagues on these different points are much the same, and it appears to me not very difficult to bring together the interests of all the world. The only serious difficulty might be raised, as I have above suggested, by the unification of the Tariff and the plan of doubling the taxes on tea and silk. In any case I must declare myself incompetent to decide this matter at present by a decisive opinion.

In submitting to you these observations, my dear colleague, and in praying you to communicate them to our colleagues, it only remains for me to add that I shall hasten to report to my Government in the same sense, and that in the meantime I am quite ready to assist, as far as I am able, and with the restrictions pointed out above, and which are imposed on me by the nature of things, in the establishment of a preliminary understanding with regard to the revision of the Treaty of Tien-tsin. I thought it useless here to enter again into a discussion of the questions which would necessitate radical changes in the political state and the administration of China, inasmuch as the exchange of opinions which has hitherto taken place in regard thereto has shown a complete identity in the views of our colleagues, and the conviction that we all hold, that the present moment is not a favourable one for bringing them forward.

Receive, &c.
(Signed) REHFUES.

Inclosure 45 in No. 76.

M. Vlangaly to Sir R. Alcock.

Mon cher Collègue, *Kuang-shan-sze, le* 26 *Août*, 1868.

LE Ministre de France vous ayant répondu directement au sujet de votre lettre du 5 courant et du Mémoire Chinois y annexé, je m'empresse de vous faire tenir ci-près la communication de notre collègue de Prusse, en y annexant mes propres impressions.

Mais avant d'aborder la question, permettez-moi de vous exprimer ma profonde reconnaissance pour l'obligeante communication que vous nous faites sur le résultat auquel la Commission Mixte que vous avez établie d'accord avec le Tsungli Yamên avait abouti. Je n'espérais guère que le Ministère Chinois consentirait aux modifications et aux concessions énumérées dans les pièces que vous avez eu la bonté de nous faire part; mais, malgré cela, je doute qu'elles satisfassent le commerce étranger, dont les exigences sont souvent exagérées.

La tendance à mettre les commerçants indigènes sur le même pied que les négociants étrangers est très équitable, et l'on ne peut qu'encourager le Gouvernement Chinois à marcher dans cette voie, profitable à tout le monde.

Un des points principaux réclamés par le commerce étranger est la résidence à l'intérieur. Contre les abus des Douanes et des barrières intérieures c'est, je crois aussi, la seule remède. Puisqu'on permet aux étrangers de voyager dans l'intérieur, je ne vois pas pourquoi ne leur permettrait-on pas d'y acheter des produits du pays pour l'exportation et de vendre les produits du pays pour l'exportation, et de vendre les produits étrangers importés. J'admets volontiers que le Gouvernement Chinois pas [*sic*] permettre aux individus non-soumis à sa juridiction l'achat des propriétés en dehors des ports ouverts au commerce; mais je pense qu'il peut être permis sans de graves inconvénients aux négociants étrangers de pouvoir faire des achats de marchandises sur les lieux même de production pour les exporter, en payant le droit de transit établi à cet effet. De même pour les marchandises importées. Il n'est pas juste de défendre au négociant étranger qui a acquitté le droit de transit de ne pas pouvoir porter sa marchandise aux endroits où il croirait pouvoir la vendre plus facilement.

Il serait donc désirable que le Gouvernement Chinois permît aux étrangers d'avoir des dépôts le leurs marchandises dans les endroits où les premiers le trouveraient convenable; soit-ce dans les centres de production, soit-ce dans les places des grandes foires. Il faut que le négociant, à mesure qu'il achète, dépose quelque part les produits; de même aussi à mesure qu'il apporte des marchandises étrangères il doit avoir un endroit pour les déposer. Comme il ne peut avoir de propriétés en dehors des ports ouverts au commerce, il devra nécessairement louer des magasins de dépôt, ce qui lui donne déjà un désavantage vis-à-vis du négociant Chinois, qui, à part qu'il peut avoir ses propres magasins, a les moyens d'en louer à meilleur compte, et par dessus tout ouvrir des boutiques et vendre en détail non seulement des marchandises étrangères, mais aussi des produits du pays, dont la vente pourrait être défendue aux étrangers.

J'irai même plus loin, et je dirai qu'on pourrait renoncer provisoirement au droit établi de transit, et consentir à payer les droits exigés à chaque barrière ou douane intérieure, pourvu que le taux de la taxe fut préalablement, et un an d'avance, rendu connu aux Consuls et au public. Cette mesure serait un frein aussi contre les vexations auxquelles peuvent être soumis les négociants Chinois eux-mêmes par les petits mandarins des barrières douanières.

Quant à ce qui regarde la difficulté qu'offre au Gouvernement Chinois le droit d'exterritorialité dont jouissent les étrangers, je pense qu'on pourrait désigner les cas dans lesquels les autorités locales du pays pourraient arrêter un étranger pour le faire conduire au Consulat le plus proche, ou bien même mettre les scellés sur les marchandises en transmettant immédiatement l'affaire au Consul comme dans le cas précédent. Ces cas graves n'étant pas nombreux, il ne serait pas difficile d'établir le mode d'action:

La permission aux bâtiments à voile étrangers de naviguer dans les eaux intérieures est, certes, une grande concession que fait le Gouvernement Chinois; mais pour qu'elle fut profitable aux étrangers il faudrait au moins leur permettre d'avoir des petits remorqueurs sur les grands lacs, vu que cela remédierait à la lenteur du transport, dont on pourrait se plaindre.

Il y a encore une autre question que je ne saisis pas assez bien; c'est la proposition du Tsungli Yamên de doubler les droits sur le thé et la soie en retour de quelques autres diminutions dans le Tarif.

Parmi les objets d'exportation, le thé et la soie occupent les places les plus importantes. Je puis comprendre que l'exportation forcée de la soie peut porter préjudice aux manufactures indigènes, et qu'on veuille de cette manière encourager cette dernière industrie; mais le thé se trouve dans des conditions tout-à-fait contraires, et l'avantage direct de ce pays serait d'en encourager la production et l'exportation. Le thé qu'on exporte de la Chine représente des espèces non-employées par les indigènes, ainsi c'est un produit de pure exportation. En outre, les droits sur le thé sont considérables sans cela, bien au-dessus même de 10 pour cent de la valeur; et s'il y aurait quelque chose à modifier dans le sens voulu par le Tsungli Yamên, cela serait plutôt de classer les thés en plusieures catégories d'après leurs valeurs, vu que maintenant les qualités de thé jaune et vert d'une haute valeur paient les mêmes droits que le thé noir, qui leur est *très-inférieur*.

Voici, mon cher collègue, les points principaux qui compléteraient, selon mon idée, l'œuvre de la Commission Mixte susmentionnée dans le commencement de cette lettre. Je pense qu'ils sont essentiels, et qu'ils assureraient plus ou moins l'exécution de l'esprit commercial des Traités.

Pour ce qui regarde le Mémorandum du Tsungli Yamên, dont vous avez eu l'obligeance de nous transmettre une copie, je n'aurai que deux remarques, de peu d'importance, à faire.

Dans l'Article VII, au lieu de laisser comme dépôt temporaire une somme équivalente aux droits de transit, que, conformément à ce qui se fait dans les autres cas, le marchand put déposer un bon répondant à la valeur voulue; et plus loin, le délai de trois mois indiqué pour la confiscation du dépôt fait à la barrière ou à la douane me paraît insuffisant.

Veuillez, &c.

(Signé) A. VLANGALY.

(Translation.)

My dear Colleague, *Kuang-shan-sze, August* 26, 1868.

THE Minister of France having given you a direct answer on the subject of your letter of the 5th instant, and of the Chinese Memorandum thereto annexed, I hasten to place in your hands the communication of our Prussian colleague, adding at the same time my own views.

But before entering on the question, allow me to express to you my profound gratitude for the obliging communication which you make to us on the result which has been attained by the Mixed Commission which you have established in conjunction with the Tsung-li Yamên. I had scarcely hoped that the Chinese Ministry would agree to the modifications and concessions enumerated in the documents which you have had the goodness to communicate to us; but, notwithstanding, I doubt whether they will satisfy foreign commerce, of which the requirements are often exaggerated.

The tendency to place native traders on the same footing as foreign traders is very just, and one can but encourage the Chinese Government to advance in this direction, advantageous to everybody.

One of the principal points demanded by foreign commerce is right of residence in the interior. I think, also, that this is the only remedy against the abuses of the Custom-houses and barriers in the interior. Since foreigners are allowed to travel in the

interior I do not see why they should not be allowed to purchase there the products of the country for exportation, and to sell the products of the country for exportation, and to sell imported foreign products. I willingly admit that the Chinese Government need not allow individuals who are not subject to their jurisdiction to purchase property beyond the ports open to trade; but I consider that foreign traders might be allowed, without serious inconvenience, to make purchases of goods in the place of production, for export, in paying the transit dues fixed for the purpose. The same as regards imported goods. It is not fair to prevent the foreign trader who has paid transit dues from taking his goods to the places where he thinks he can sell them more easily.

It would, therefore, be desirable that the Chinese Government should allow foreigners to have depôts for their goods in such places as they may deem advisable, either in the places of production or in the places where the great fairs are held. The trader is obliged, whilst he is making purchases, to place the goods somewhere; in the same manner whilst buying foreign goods, he must have some place to deposit them. As he cannot possess property beyond the limits of the ports open to trade, he must necessarily hire warehouses, which already places him at a disadvantage, compared to the Chinese traders, who, besides being able to have better warehouses, is enabled to hire them more advantageously, and, moreover, open shops and sell by retail not only foreign goods, but also the products of the country, the sale of which, by foreigners, might be prohibited.

I will even go further; I will say that we might renounce provisionally the established right of transit, and consent to pay the duties exacted at each barrier, or internal Custom station, provided that the rate of the tax should have been previously, and a year in advance, made known to the Consul and to the public. This measure would also be a check against the annoyances to which the Chinese traders themselves might be subjected by the petty mandarins of the Customs barriers.

As regards the difficulty which the right of exterritoriality enjoyed by foreigners presents to the Chinese Government, I think it would be possible to designate cases in which the local authorities of the country might arrest a stranger, and have him sent to the nearest Consulate, or even put seals on the merchandize, and forward the matter immediately to the Consul, as in the preceding case. These serious cases not being numerous, it would not be difficult to establish a plan of action.

The permission to foreign sailing-vessels to navigate the waters of the interior is doubtless a great concession on the part of the Chinese Government; but, in order that it may be of advantage to foreigners, they ought at least to be allowed to have small tugs on the great lakes, seeing that would make up for the slowness of transport, of which they might complain.

There is yet another question which I do not sufficiently understand. It is the proposal of the Tsung-li Yamên to double the duties on tea and silk in return for some other reductions in the Tariff.

Among the articles of exportation tea and silk occupy the most important places. I can understand that the forced exportation of silk might cause injury to native manufacturers, and that they wish in this manner to encourage that last branch of industry; but tea comes under quite opposite conditions, and it would be to the direct advantage of this country to encourage its production and exportation. The tea which is exported from China represents an article not used by the natives; therefore it is a product for exportation only. Moreover, the duties on tea are considerable without this, much more even than 10 per cent. *ad valorem;* and if there is anything to modify in the sense desired by the Tsung-li Yamên, it would rather be to class teas in several categories according to their value, seeing that now the qualities of yellow and green tea of great value pay the same duties as black tea, which is very inferior to them.

These, my dear colleague, are the principal points which would complete, to my idea, the work of the Mixed Commission above mentioned in the beginning of this letter. I think that they are essential, and that they would ensure, more or less, the execution of the commercial spirit of the Treaties.

As regards the Memorandum of the Tsung-li Yamên, of which you have obligingly sent us a copy, I have only two remarks of little importance to make.

In Article VII, instead of leaving as a temporary deposit a sum equivalent to the duties of transit, that, conformably with what is done in other cases, the merchant might deposit good security for the required value; and, further on, the delay of three months named for the confiscation of the deposit made at the barrier or Custom-house, appears to me insufficient.

Receive, &c.

(Signed) A. VLANGALY.

Inclosure 46 in No. 76.

Résumé of the Opinions of the Foreign Representatives on the Labours of the Mixed Commission.

Comte de Lallemand, French Minister.—THE principle of placing native and foreign trade as far as possible on the same footing approved. But the probable result of all proposed measures to that end would not be worth the price asked of double duties on tea and silk. In any case the latter should be deferred two years for experience of effective ameliorations.

As to the concessions offered they are of little value. Inland navigation hardly a concession, because useless without steam. Tug-boats, at least, should be allowed on the Poyang and other lakes.

So the measures for mines are very insufficient and timid. Right of working them and forming the necessary establishments should be freely granted.

Right of temporary residence is no concession. We have it now, in express terms, by the French Treaty, and the only limitation that can be admitted is the possession "en toute propriété des immeubles."

With these observations, and with reservation of the right of revision in 1870, and farther demands for missionaries and converts, which, however, affect only France, the French Minister has no objection to the proposed measures.

Dr. Williams, Chargé d'Affaires of the United States.—Thinks the proposed measures evidence of progress on the part of the Chinese in striking contrast with the conditions prevailing when both Treaties were made.

Two noteworthy features: the creation of a Civil Code for a Mixed Court, and the regulation of the leking and transit dues, both tending to great and beneficial changes, and of lasting service to the trade, if the Government can be induced to put under responsible Imperial control, all hitherto irresponsible and arbitrary taxation. British Minister's proposition to this end a practical solution, though it may fail in doing all we can reasonably look for. Suggestions on other points.

Baron Rehfues, Prussian Minister.—Right of revision reserved to Prussia in 1872. The Prussian Minister thinks that would be a more favourable time for important changes. But apart from this, ready to co-operate.

Regrets want of fuller information, particularly the three Memoranda referred to by last of the Yamên.

Cessation of leking and all irregular taxation a very essential point. Measures proposed "well conceived;" and that Chinese should not be placed on a worse footing than foreigners, a just principle: but the merchants lose their advantage, and pay $2\frac{1}{2}$ per cent. for the enjoyment of rights already secured by Treaty. The result will altogether depend on the spirit with which the measures are carried out.

Reserved opinion on Tariff, either at 5 per cent. or simplification. But anticipates great clamour against double duty on tea and silk, the sole exports. Free goods; important article for Germany. The 5 per cent. offers a great difficulty, because each Treaty has its own Tariff, calculated according to special and material interests.

On inland navigation, views are the same as the French, as to practical value, if steam be excluded.

Residence in the interior probably presents the greatest difficulties, with or without exterritoriality. Thinks the right to travel and lodge might for the present suffice.

M. Vlangaly, Russian Minister.—Had little hope the Chinese Government would consent to such modifications as have been agreed upon, and yet doubts whether they will satisfy foreign merchants.

The principle of equality between native and foreigner is just and to be approved.

Residence in the interior believed to be the sole effective remedy against inland exactions. The concession to travel, and buy and sell, inoperative without rights of depot, &c. These essential to such operations (so in mining and buying silk cocoons, &c.) Without this there can be no effect given to the principle of native and foreigners being on an equal footing. To obtain this, worth while even to pay all Chinese taxes, the same as natives, if these were publicly fixed and communicated each year.

Exterritorial rights might be reconciled with Chinese.

Inland navigation, though certainly a great concession, unprofitable without steam. Tug-boats, at least, should be permitted.

Double duties on tea and silk open to much objection.

Inclosure 47 in No. 76.

Sir R. Alcock to M. Vlangaly.

M. le Ministre et cher Doyen, *Peking, September* 10, 1868.

THE Prussian Minister, in reply to my former communications, respecting the negotiations in which I am engaged with the Tsung-li Yamên, in anticipation of a revision of the commercial Articles and Tariff of the Treaty of Tien-tsin, expressed a regret that he had no cognizance of the "three Memoranda," to which the Ministers make reference in the note I forwarded to you for the information of my colleagues. I beg, therefore, to inclose the Memoranda in question for communication to the foreign Representatives in Peking:—

1. Memorandum prefacing the reply of the Tsung-li Yamên to the British Minister's propositions.

2. Memorandum giving reply, in detail and seriatim, under twenty-nine heads; to which is attached a Supplementary Memorandum of duties the Tsung-li Yamên proposes to increase.

3. Résumé and closing observations on the abuse of foreign flags, and the necessity for observing distinctions between native and foreign trade.

To these I have sent a collective reply, with a separate Memorandum on a general revision of the Tariff, stating my reasons for concluding the present time inopportune, and proposing to defer all farther consideration of the subject.

In my general reply, it will be seen that I availed myself of the frank expressions of opinion of my colleagues, as to the proposed modifications in the commercial rules, &c., to point out to the Prince and Ministers the unanimous feeling of regret and dissatisfaction at the restrictions attached to navigation of the inland waters, residence in the interior, and the working of mines; these otherwise large concessions being deprived of much of their value by limitations calculated to render them practically useless. This joint remonstrance may possibly induce the Yamên to reconsider the subject, and, in some degree, modify their views as to the expediency of a less restrictive policy. In any case, I feel assured you and my colleagues will approve of my having communicated our common sentiments on the subject.

Baron Rehfues will see that I entirely concur with him in deprecating, at this moment, any general readjustment of the Tariff, and have never contemplated proposing it. As to the right of revision, reserved at later periods, by the French and Prussian Treaties, I do not conceive that any concurrence in the partial revision, which may follow, of the British Treaty, can be rightly construed as prejudicing their independent action when the respective periods for revision may arrive. But my colleagues will, of course, take such steps as they may deem expedient, to prevent misapprehension on such a matter. I have only sought their co-operation because any changes, either in the commercial rules or Tariff of our Treaty react upon all; and, in some cases, as in the proposed compulsory payment of the transit due of $2\frac{1}{2}$ per cent. upon all imports of foreign goods, and their collection by the Maritime Customs in like manner as other Tariff duties, can only be carried out as a general measure, and by common consent; and as the object is to strike at the root of all irresponsible power of taxation upon foreign trade, and to take from the local authorities all pretext for levying leking or any other tax upon foreign trade, such transit duty once paid, and thus remove the greatest grievance of the merchant and the worst obstructions to the extension of trade in the interior, I conceive this would be cheaply purchased, even by an additional $2\frac{1}{2}$ per cent. to the import duties. Such, however, is not the effect of the proposed arrangement; for, as by far the greater part of foreign imports are sold to proceed into the interior, they necessarily have to pay the $2\frac{1}{2}$ per cent. transit due, or to run the gauntlet of a hundred barriers with unlimited powers of exaction and taxation. And as for the small portion sold for consumption at the ports, even for them the foreign merchant has everything to gain, if by payment of the transit due of $2\frac{1}{2}$ per cent. he can secure their exemption from the leking and other taxes, which have been persistently imposed upon the Chinese purchasers, even within the limits of the ports, to a considerable amount in excess.

You, and some of my other colleagues, have expressed great doubts as to the efficacy of any arrangements to put down these illegal and wholly uncontrolled taxes; nor can any one feel perfectly sure of the result, until tested by experience. But it is much to have obtained a distinct renunciation of the right, hitherto obstinately maintained, of taxing all trade within the Chinese territories for State purposes, and a declaration that, under no circumstances, can any surcharge beyond the Tariff be levied on foreign trade, in export or import articles, without Imperial authority, and the previous sanction of the Foreign

Representatives. Whatever difficulties may be experienced at first, in giving practical effect to these fundamental principles, their publication by Imperial edict will strike at the root of the present abuse of taxing power in the hands of irresponsible and provincial authorities, and, I cannot doubt, be productive of far greater benefit to trade than many more imposing-looking concessions—than any rights of residence or navigation of foreigners in the interior, or working of mines, for which, in my opinion, neither foreign merchants nor the Chinese people are yet prepared, in the ignorance of each other's language, and the unsettled state of the country, to turn to much present advantage.

After taking cognizance of, and communicating to our colleagues, the inclosed documents, I shall feel obliged by their return for the archives of the Legation; and I avail, &c.,

(Signed) RUTHERFORD ALCOCK.

No. 77.

Sir R. Alcock to Lord Stanley.—(Received February 8.)

(Extract.) *Peking, December 7*, 1868.

IN the most important of all questions perhaps—the transit dues and the leking taxes—a battle had to be fought with the Yamên, before I could establish the principle that the Emperor had in effect renounced, by the Treaty of Tien-tsin, all right to impose on foreign trade other taxes than those stipulated in the Tariff. The irresponsible and uncontrolled power of taxation assumed by the local authorities, without reference either to the Government at Peking or the Foreign Representatives, was in effect a nullification of the Treaty in its most important provision for the protection of trade, by rendering virtually inoperative the limitation imposed by an established Tariff; and to enter upon a revision of the Treaty without the clear renunciation of any such power, could have led to no useful result, whatever else might be obtained or conceded.

In the end, I succeeded in obtaining a recognition of the principle, and the Yamên yielded. But the difficulty still remained of devising a remedy for the persistent tendency to abuse in the local administrations, both at the ports and throughout the provinces, of which we had such fatal experience ever since the Treaty of Nanking. It was a mistake, in both that Treaty and the subsequent one of Tien-tsin I believe, to leave the payment optional of the commuted transit tax of $2\frac{1}{2}$ per cent. *ad valorem*, which was to free the goods through the provinces to the places of consumption. Hence a perpetual plea for doubt as to the liability of the goods to taxation in the provinces, and a pretext for detention with cumulative exactions and duties. On the supposition that they were Chinese property, they were held liable to any taxation the authorities pleased to decree, once within the Chinese territories, and transit passes failed to secure exemption, on account of the danger of collusion between the foreign importer and the Chinese purchaser; and that this was no imaginary danger has been proved in a former despatch. A plausible pretext thus existed for doubt, detention, and exactions, in the aggregate injuriously restricting consumption by enormously enhancing the cost of the goods.

To declare all foreign goods free, whether Chinese or foreign-owned, in their transit to their place of consumption, and give a prompt appeal to the nearest foreign Customs establishment, seemed to be the best mode of striking at the root of the evil, by removing all plausible pretext for detention or examination, or for the levy of a tax of any kind whatever. The payment of the transit dues at the port in the first instance on all imports, without exempting those that might enter into consumption at the ports, could not constitute any real objection, because even on those the merchant would find his advantage in relieving his goods by payment of $2\frac{1}{2}$ per cent. from an unlimited taxation shown to have often risen to a perfectly prohibitive extent, varying from 10 to 90 per cent. within a small radius of the port, and even at the place itself.

As regards the Chinese produce for export, the transit passes under some better system still offer the only alternative, but it it is something to have gained an admission of the right of exemption from local and indeterminate taxes, and an improved system for the enforcement of this right.

It will be necessary, of course, that all the other Treaty powers should accept this settlement, before it can take effect, but from my communications with the several Representatives here on the subject, I do not anticipate serious objection, and the advantage to the merchant is too obvious to admit of dispute.

The opening of new ports is another subject to which I would draw your Lordship's especial attention, on account of the divided opinion among the Memorialists, who, for the

most part, seem rather to deprecate more ports as a source of expense, without corresponding increase of returns, while others recommend one or more, and what they call "subsidiary ports" along the coast. What may be precisely meant by this term, or what ports they would designate, has not been stated, nor is it easy to guess.

At my final interview with the members of the Yamên on the 5th instant, at which his Excellency Wên-tajin was present, they seemed in doubt, not so much as to the principle of opening more ports, if pressed, but as to the expense, and the possibility of their being able to provide the necessary foreign Customs establishments. It remains, however, for Her Majesty's Government to consider whether it is worth their while to incur the expense of establishing a Consul or Vice-Consul at one or more ports, keeping in view the indecisions of the merchants more immediately concerned, for on this point, the Yamên spoke decidedly, that the maintenance of a Consular officer must be a *sine quâ non*. I think the advantages to be gained in the extension of commerce would be more than commensurate with the expense entailed either on the public or the merchants. But still, as regards the former, the financial part of the question must have its weight. Assuming that one officer would suffice,—whether Consul or Vice-Consul, he must be housed, and there must be some small allowance for servants and contingencies. Therefore, I conceive the total expense could not be put down at less than 1,500*l.* per annum for each port.

No. 78.

Sir R. Alcock to Lord Stanley.—(Received February 26, 1869.)

My Lord, *Peking, December 14, 1868.*

IN continuation of my despatch of the 6th instant, I have now the honour to forward, together with my reply, a Memorandum which formed an inclosure to the Prince of Kung's reply respecting my proposals for the revision of the Treaty.

Your Lordship will see that the Prince has given a totally new version of reciprocity, and the interpretation of the most-favoured-nation clause, which I have felt bound at once to repudiate. He also proposes the appointment of a Chinese officer to reside at Hong Kong and look after and prevent the evasion of Customs dues on the mainland by Chinese junks and traders. To which I have replied, that I presume a Consul might be conceded with the same rights in such matters as any other nation could claim in British territories: but that, not being in the Treaty, it would probably be referred for consideration on the approaching revision. His Highness also objects, and, I think, with good reason, to the nomination of merchant Consuls; but I have informed him it remains with the Chinese Government to induce other Powers to do as Great Britain does, and appoint only non-mercantile incumbents. On this subject, a standing grievance both in China and Japan, I inclose a slip from the "Japan Press," pointing to the continually increasing extent of the evil.

I have, &c.
(Signed) RUTHERFORD ALCOCK.

Inclosure 1 in No. 78.

Supplementary Memorandum inclosed in Despatch from the Prince of Kung of the 5th December, 1868.

Proposed Regulations.

1. IN consequence of the numerous channels into which the route from Hong Kong to Canton divides itself, there is great opportunity for smuggling, and vessels are constantly evading the payment of duties by taking a circuitous course so as to avoid the barrier. As great loss results to the revenue from this cause, it is proposed that the Chinese Government should appoint officials to reside at Hong Kong for the express purpose of attending to the collection of duties in the interest of the Customs revenue. Rules for regulating the collection of duties by such officials can be subsequently agreed upon.

2. As great inconvenience is continually arising from the appointment of merchants as Acting Consuls, it is proposed that henceforth Consuls shall in every case appoint the regular officials of their own country to such posts. But is there be no such officials available for

the purpose, or if it seem unnecessary to send one, then the Consul of some other Government shall be requested to act temporarily; in no case, however, should a merchant be appointed to such a post.

3. It is stipulated by Treaty that "all Treaty Powers shall enjoy the same advantages," so that all may be on a footing of complete equality, with no diversity whatever. But this merely regards the case from one point of view, and nothing has, as yet, been done with reference to the other aspect of the question. Henceforth, therefore, Great Britain will enjoy all advantages that China may allow to any other Treaty Power; and in the event of any Treaty Power conceding privileges to China, Great Britain should also make the same concession. For, if the advantages of any arrangements made between China and a foreign Government are to be enjoyed by all Treaty Powers alike, it follows that all should alike concede the privileges which may be conferred upon China by any such arrangements.

4. The Treaty makes no mention of privileges to be granted to the Chinese merchant in the event of his carrying on trade in Great Britain, or any country subject to her authority; and he has, therefore, no right to demand any privileges. But surely whatever advantages may accrue to the British merchant in China, should also be enjoyed equally by any such Chinese trader without difference or distinction.

5. The passport issued to foreign merchants, authorizing them to travel in the interior of China, holds good for twelve months, after which period its authority expires. But, notwithstanding such expiration, cases are continually occurring of merchants keeping it in their possession, and delaying to tender it to the Customs authorities for examination. Henceforth, therefore, at the end of twelve months, another month's grace will be allowed, during which the passport must be returned; and if it is not handed in before the expiry of that period, further leave to travel in the interior will be refused.

6. Cases frequently occur of sailors going ashore and becoming drunk and disorderly; it would, therefore, be advisable to concert some means of preventing such occurrences for the future.

Inclosure 2 in No. 78.

Sir R. Alcock to the Prince of Kung.

Sir, *Peking, December* 14, 1868.

IN reference to the Memorandum inclosed in your Imperial Highness' communication of the 5th December, divided into six heads, I have the honour to state, in reference to No. 1,—the proposal to appoint Chinese officials to reside at Hong Kong for the express purpose of attending to the collection of duties in the interest of the Customs,—that this cannot be acceded to in British territories. But admitting the existence of the evil complained of, it would seem reasonable that the Emperor of China should have the same right to appoint a Consul to reside in Hong Kong as all other Treaty Powers have, and to enjoy the same rights and exercise the same authority in matters connected with the trade of Chinese subjects as any other nation in Treaty with Great Britain may claim in British Colonies. At the same time, as this right has not hitherto been conceded or claimed, it will be necessary that steps to that end should be taken with Her Britannic Majesty's Government, and it will fitly form a subject for consideration and settlement in the approaching revision of the Treaty of 1858.

2. In reference to the inconvenience complained of as continually arising from the appointment of merchants as Acting Consuls, I think with your Imperial Highness that the practice is open to objections, and is attended with practical inconvenience in the transaction of business. As, however, Her Majesty's Government, recognizing the expediency of not appointing merchants to such posts in China, never makes such nominations, nothing remains for me to do, and it is for your Imperial Highness to induce the other Treaty Powers to enforce a similar rule.

3. It is stated that it is stipulated by Treaty that "all Treaty Powers shall enjoy the same advantages, so that all may be on a footing of complete equality, with no diversity whatever." But this merely regards the case from one point of view, and nothing has as yet been done with reference to the other aspect of the question. Henceforth, therefore, Great Britain will enjoy all advantages that China may allow to any other Treaty Power; and in the event of any Treaty Power conceding privileges to China, Great Britain should also make the same concession. For if the advantages of any arrangements made between China and a foreign Government are to be enjoyed by all Treaty Powers alike, it follows

that all should alike concede the privileges which may be conferred upon China by any such arrangement."

To this I have to reply, the kind and degree of reciprocity in advantages contemplated by all the existing Treaties is such as would give to China as a nation, and to Chinese subjects in Great Britain or any other State having Treaty with China, all the advantages any other nation could claim under what is usually referred to as the most-favoured-nation clause. But it has never been contemplated that, in the event of one Treaty Power seeing fit to enter into agreement or to grant any other concessions or privileges to China, that every State should be bound by such act. A Sovereign State can only be bound by its own acts, and not those of others; and no privileges or right granted by one Western State to China can impose any kind of obligation on the rest to do the same. When it may suit the interests or wishes of one State to grant to China, with or without a declared equivalent may be wholly unacceptable or injurious to another, and will in such case most certainly not be admitted among the conditions of Treaty relations. Nor in any case, even in matters indifferent, does the mere fact of a precedent being established on the part of one independent Power make it incumbent on any other to follow the same course if it does not please them.

5. There is no objection to the rule proposed by your Imperial Highness, that passports should be returned and reissued, if needed, after a term of one year; and I am quite ready, in concert with the other Representatives, to whom no doubt a similar proposal has been made, to issue instructions to Her Majesty's Consuls to give effect to such to rule.

6. I quite agree with your Imperial Highness as to the frequency of the evil complained of, and the advisability, if any possible means to that end can be devised, of preventing sailors being drunk and disorderly on shore. With ships of many nations in every port, both merchant-ships and men-of-war, it is quite obvious any scheme that can be devised must be general and equally earnestly carried out by all. This constitutes one of the first difficulties, and the second is the inveterate habit of sailors of all Western nations, with exceptions only as regards individuals, of getting drunk whenever they are allowed on shore. Sailors cannot always be confined on board after a long voyage, but it might be possible to make this the penalty of drunkenness or disorder when they are on shore. Commanding officers of ships of war and masters of merchant-vessels are, however, alike averse to accept all the trouble and responsibility of enforcing such rules, and extremely unwilling to encounter all the discontent on board among their crews the effort entails. It would be well in any attempt to begin with obtaining the concurrence of the Admirals or senior officers of the squadrons or vessels under each flag; because the endeavours to enforce any rule of this kind upon merchant seamen while men-of-war crews were exempt could not fail to render success impossible. I am quite ready to propose to the Admiral commanding Her Majesty's ships in China to take such steps as may seem practicable, in concert with the senior naval officers of other States: provided you obtain the concurrent action, to the same end, of my colleagues the foreign Representatives of other Powers.

I have, &c.
(Signed) RUTHERFORD ALCOCK.

Inclosure 3 in No. 78.

Extract from the "Japanese Press."

TREATY BETWEEN JAPAN AND SWEDEN AND NORWAY.—The "Times" says:—"Thus is added another to the list of Powers without a proper governmental establishment, over whose subjects no sufficient control can be exercised and who have yet the benefit of the exterritorial clause. Such Treaties are mere blinds to mask the gift of a Consulate to some trader; an office unpaid, but carrying with it indirect advantages, of which many who take such posts do not hesitate to avail themselves to the full, in the competition with their less favoured neighbours."

No. 79.

Sir R. Alcock to Lord Stanley.—(Received February 2, 1869.)

My Lord, *Peking, December* 18, 1868.

IN my despatch of the 6th instant I stated that I had communicated through the Doyen of the Corps Diplomatique here, M. Vlangaly, to all my colleagues, the Representatives of other Powers now in Peking, the general bases which the Chinese Government were willing should be adopted in the approaching revision of the Treaty of Tien-tsin. In doing so, I wrote a short covering despatch to the Russian Minister, of which copy is inclosed; and I have since received reply from the newly-arrived American Minister, stating very fully his views on the whole subject.

I have now the honour to forward a copy of this latter document for consideration in connection with the other papers transmitted.

I have, &c.

(Signed) RUTHERFORD ALCOCK.

Inclosure 1 in No. 79.

Sir R. Alcock to M. Vlangaly.

M. le Ministre et cher Doyen, *Peking, December* 7, 1868.

REFERRING to our previous correspondence on the subject of negotiations with the Tsung-li Yamên for a revision of the Treaty of Tien-tsin, entered into with Great Britain in 1858, I have now the honour to transmit, for communication to the foreign Representatives in Peking, the inclosed general bases on which it is proposed to enter into a revision of the Treaty, under the provision of the XXVIIth Article. It will be seen that beyond the placing a steam-tug on the Poyang Lake, available for merchants, I have not found it practicable to induce the Yamên to make any further concession on the three points urged upon them in accord with the general sense of the opinions expressed by my colleagues in their reply to my first communication.

It appears the objections entertained by the Chinese Government to any greater extension of privileges than those previously conceded, as regards inland navigation, residence in the interior, and the open working of mines, so long as foreigners are exterritorialized, are insuperable, and I have come to the conclusion that more is not to be obtained, at present, by any friendly counsel or negotiations.

I see, however, in the placing of a single steam-tug on the Poyang Lake, and the recognized right of foreign merchants to convey goods inland in their own vessels, and to obtain such accommodation as is generally found to suffice the native merchants in their dealings in the interior, a promising beginning and better hope for the future.

I shall be very glad to learn that you and my other colleagues take a similar view; and availing, &c.

(Signed) RUTHERFORD ALCOCK.

Inclosure 2 in No. 79.

Mr. Browne to Sir R. Alcock.

My dear Sir, *Legation of the United States, Peking, December* 17, 1868.

I HAVE received, through the hands of M. Vlangaly, the Russian Minister, your letter of the 7th instant, transmitted to him for communication to myself and colleagues, containing the basis of a revision of the Treaty between Great Britain and China.

Allow me to congratulate you upon the prospect of an early termination of your labours. You have had an exceedingly arduous duty to perform. The diversity of interests involved, on the one hand, and the prejudices to be overcome on the other, must render negotiations of this kind more difficult in China than in any other country. As one of the foreign Representatives, I beg to tender you my thanks for the frankness and courtesy with which, so far as the common interests are concerned, you have conducted these negotiations.

While I cannot see in the result any positive evidence of a disposition on the part of the Chinese Government to recede from its policy of exclusiveness, I nevertheless believe

that great good must grow out of your labours; more, in fact, than appears from the few and comparatively unimportant concessions made.

Since these negotiations commenced, the ruling authorities of China have been placed in possession of a large amount of practical information respecting the necessities of the commercial world and the objects of the Treaty Powers. At no period since the beginning of foreign intercourse has there been so thorough an investigation of all subjects upon which differences exist, or such an amicable interchange of opinion. Questions of mutual interest have been considered in a candid and equitable spirit; and although the arguments advanced by you and your colleagues have failed to carry conviction to the Chinese mind, yet, such is the power of truth, that it must eventually penetrate the understanding of this peculiar people, and achieve its own triumphs over their prejudices. I think there is more reason to hope for a change when they find it unavoidable, than to look for it in any voluntary movement. If the Chinese Government can be brought to the conviction that there is no alternative but to advance, that procrastination will not avail to ward off threatened evils, that the time for mere argument is passing away, I have no doubt the means of progress indicated during your protracted discussions will be found entirely feasible. At all events, the more consideration given to them the less formidable they will appear.

It seems to me that the dangers of any direct and positive movement or radical change are greatly overrated, not only by Chinese statesmen but by many foreigners long resident in the country. No such evils as those anticipated have ever resulted from the introduction of steam and improved systems of labour in other parts of the world; and the reasons given to show that the experience of mankind elsewhere is inapplicable here, strike me as utterly unfounded. If such a line of argument as this were to prevail, it would for ever exclude any advance. Urged in the apparent interest of the Chinese, it really sustains their prejudices and strengthens them in a course of resistance to innovation which, if continued, must inevitably result in their ruin. Besides, it conveys a reflection upon their common sense, mechanical ingenuity, and capacity for improvement, nor warranted by facts. It is a timid policy, which hazards all in attempting to hazard nothing. That you do not share in these opinions is sufficiently manifested in your earnest and persistent appeals to the Yamên to make a practical beginning in the introduction of steam and other foreign improvements throughout the interior. I am therefore free to say that I consider them unworthy the age in which we live. For my part, I see more danger in protracted delay than even in the most sudden and radical of innovations. An acquiescence in the Chinese view would lead to retrogression; and in that there are elements of far greater disaster to China than any contained in the proposed changes. In concentrating the attention upon the difficulties of an advance movement, the accumulating dangers of delay are too apt to be forgotten.

Having already in my letter to His Imperial Highness Prince Kung, dated November 23 (of which you have a copy), expressed my views on most of the points referred to in your summary of results, it is unnecessary now to recapitulate them. I shall, therefore, confine my remarks in this connection to a few important considerations suggested by your communication:—

1. As to right of residence, with the privilege of renting or purchasing warehouses in the interior.

This, I think, is absolutely an essential step towards any thorough or practical reform; without it, we remain on the outer edge, and never touch the reason or intelligence of the great mass of the people. What is done at the ports comes to them diluted or perverted through hostile channels. It is quite hopeless to expect, in the absence of a newspaper press, that they will ever get at the truth, or form a correct estimate of foreign character without direct personal intercourse with foreigners. Nor is it easy to conceive how the greatest of all impediments to free intercourse—ignorance of a common language for intercommunication—can be diminished by restricting foreign merchants in their right of residence to the ports. Few of them, thus restricted, ever learn to speak Chinese, and their servants and coolies, who acquire a smattering of foreign languages, form a distinctive class who rarely intermingle with the natives of the interior.

The main objection urged by the Chinese Government against foreign residence in the interior, is, that the Treaty Powers are not willing to relinquish exterritorial privileges. The humiliating spectacle they contend would, if this were permitted, be presented to their own people of a foreign population in the heart of their own country, exempt from the operation of its laws. Such a state of things they conceive would bring their authority into contempt, and sooner or later result in their disintegration. This argument is natural

enough from the Chinese stand-point; but if we accept it as conclusive, why make any farther effort to force our civilization upon them? It all has the same tendency, unless they rise to our standard. The exact line of distinction between the amount of injury already inflicted upon their *amour propre*, and that which may be necessary in order to advance them to a higher civilization and a more enlightened estimate of the destiny within their reach, is doubtless very difficult to define; but surely the necessity for exterritoriality will not be lessened by limiting foreign intercourse to the ports. There must be a fixed code of laws, and a radical change of administrative justice in this country, before exterritorial protection can find a substitute in native courts, and the only way to bring that about is by increased intercourse. Hence to expect a change for the better where the means are neglected, is to look for an effect without a cause.

The establishment of a Mixed Court at Shanghae for the trial of petty offences is a movement in the right direction; but even in that there is a manifest disposition to adhere to Chinese usages. Instruments of torture are insisted upon as essential to the administration of justice. It is a beginning to be sure, but not at a point likely to effect marked or beneficial changes in the interior. A partial concession may, by diverting attention from material measures of progress, tend rather to retard than advance those substantial and comprehensive reforms so earnestly pressed upon this Government. Nevertheless, I sincerely entertain the hope that the Mixed Court may lead to something better.

2. The opening of coal-mines by leasing them to foreigners, or allowing them to be worked in accordance with the general mining laws of other countries.

This is rejected, and it is agreed that some mines shall be worked by foreign machinery under official direction. However much the Government may desire the experiment to succeed, I fear this principle of working mines can never prove successful. It has not succeeded in other countries where surrounding circumstances were much more favourable. Something, however, will be gained by such an experiment. If unsuccessful, the means of success will be practically demonstrated; if successful, the Government will have proved, beyond controversy, the beneficial effect of innovations which it now so strenuously deprecates.

3. Navigation of the interior waters by foreign steamers beyond the points now permitted.

On this subject it is useless to multiply arguments. All has been urged that could be expected to remove existing prejudices, without any effect so far, except the promise to place a steam-tug on the Poyang Lake. An enterprise of this kind, conducted by native authorities hostile to the objects contemplated, and ignorant of the means by which it may be profitably conducted, must after all depend for its success upon foreign skill and energy. How far existing scruples on that point may be overcome remains of course to be seen; the good that may be expected from this concession, limited as it is, lies chiefly in the fact that such a beginning, however it may be designed to operate, has in it a forward tendency. As remarked in reference to coal-mines, even its failure, under Chinese auspices, will bring into consideration the causes and the means of success. It will at least accustom the people to the appearance of a steamer in an unfrequented locality.

On these three points I have thus frankly and candidly given you my views. With respect to the minor concessions made, I am unable to form a very accurate estimate of their value. Much will depend upon the good faith in which they are carried into effect, and something upon inherent difficulties arising from what has been rejected.

I am clearly of opinion, however, that you have accomplished all that can possibly be achieved at present by diplomatic means. While I cannot but regret that the Government of China adheres so persistently to its policy of exclusion, I have great confidence of the results that must accrue from your labours, and feel assured that there is promise in the future.

Believe me, &c.
(Signed) J. ROSS BROWNE, *United States' Minister.*

No. 80.

Mr. Hammond to Sir F. Rogers.

Sir, *Foreign Office, March* 1, 1869.

I AM directed by the Earl of Clarendon to transmit to you, to be laid before Earl Granville, an extract of a Memorandum communicated by Prince Kung to Sir R. Alcock,

with reference to the revision of the Treaty of Tien-tsin, proposing the appointment of Chinese officials at Hong Kong, with a view to the prevention of smuggling between Chinese ports and that colony, together with an extract of Sir R. Alcock's reply.*

I am, &c.
(Signed) E. HAMMOND.

No. 81.

Mr. Hammond to the Secretary to the Board of Trade.

Sir, *Foreign Office, March* 4, 1869.

SIR RUTHERFORD ALCOCK'S general report of his negotiations with the Chinese Government, with a view to the revision of the Treaty, having now been received, I am directed by the Earl of Clarendon to transmit to you herewith the accompanying papers which have been printed in continuation of papers on the same subject at various times transmitted to the Board of Trade, and which comprise the Reports in question, and their inclosures, as well as some other despatches recently received from Sir Rutherford Alcock.

I am to request that, in laying these papers before the President of the Board of Trade, you will inform him that if he should desire to have verbal explanations on any points connected with the matters treated of in these papers, Mr. Wade, Secretary to Her Majesty's Legation in China, and who is now residing at No. 12, Portman Street, will be ready to attend at the Board of Trade when required.

Lord Clarendon is aware that the various points treated of in the voluminous correspondence now and heretofore referred to the Board of Trade must necessarily require some time for their due consideration, and his Lordship only desires me to observe that he doubts not that the Board of Trade will give as early attention as possible to a matter which is of so much importance to the manufacturing and shipping interests of this country.

I am, &c.
(Signed) E. HAMMOND.

No. 82.

Sir R. Alcock to Lord Stanley.—(Received March 9, 1869.)

My Lord, *Peking, December* 23, 1868.

I INFORMED your Lordship in my despatch of the 6th instant, that I should reserve for a subsequent occasion farther observations on the general scope and bearing of the concessions the Yamên are willing to make, and the obstacles which, in my opinion, render any more decided advance in the direction desired by the merchants and my colleagues impracticable at the present time—impracticable, that is, by any diplomatic effort not backed by force, and with authority to impose certain conditions as an ultimatum.

I now proceed to furnish the promised data, in continuation of the despatch and to supplement what was wanting for a complete view.

Since forwarding the Prince of Kung's answer to my final statement of the arguments in support of more decided progress, I have been favoured by the Representatives of the United States with a copy of His Imperial Highness' reply to him, which I now inclose. I do not know what impression his reply may have made upon Mr. Browne's mind, but I think it must have gone far to satisfy him of the hopelessness of farther arguments.

The almost exaggerated courtesy of the Prince's tone, and the profuseness of his thanks to the American Minister for "his suggestions and reasonings, in every way so good and worthy of consideration," coupled with his refusal to be in any way influenced by them, might seem to have a touch of irony in it. And the reference to his predecessor's friendly feelings and clear comprehension of the situation, which are assumed to have been equally evidenced by Mr. Browne, in his despatch under acknowledgment, by the "matured plans and excellent suggestions" with which he had favoured the Government does not tend to weaken the impression. However this may be, the Prince no doubt meant to send a very civil answer, conveying an absolute refusal to be influenced by anything that his correspondent had urged, orally or by writing, on the subject of progress, as the United States' Minister understood the word.

* Inclosures 1 and 2 in No. 78.

In answer to my letter to the Foreign Representatives at Peking, a copy of which was inclosed in my despatch of the 18th instant, giving the result of my preliminary negotiations with the Tsung-li Yamên, and the bases on which they were ready to commence a formal revision of the Treaty of Tien-tsin, I received, on the 18th instant, a letter through the Doyen, M. Vlangaly, from the American Minister, a copy of which I inclosed, without comment, in my despatch to your Lordship of the 18th instant.

The immediate departure of the last steamer from Tien-tsin, before the closing of the port, left me no time to send any analysis of its contents. It was possible, also, that others of my colleagues might favour me with their views in writing, in which case I could more satisfactorily to your Lordship offer any observations on the whole. I have this day received the inclosed letters from the rest of my colleagues, reiterating the views already set forth in their previous communications on the subject; and in submitting a few additional remarks in connection with these letters and all the papers now on their way to the Foreign Office respecting the revision and the conditions under which it will take place, Mr. Browne's review, both of the ground gone over and the issue involved, will serve the purpose of a running text, since it may be taken as a fair exposition of the general sentiment expressed by all the foreign Representatives, both in regard to the insignificant nature of the concessions offered by the Chinese, the unsatisfactory character of any revision based upon them, and the importance, if not the necessity, of obtaining those now refused.

I think I am not far wrong in saying that my colleagues, on whom the task has not fallen of attempting to give effect to their views, are disposed to regard as alike unsatisfactory and unimportant all that is contemplated in the way of concession; and the main points which the Chinese Government have shown an immovable determination to refuse—inland navigation by steamers; inland residence, with right of renting or building locations; the working of mines by foreigners on their own account; the introduction of railroads and telegraphic lines—as, one and all, essential to any real progress. Because, while admitting, as Mr. Browne does explicitly enough, that one result of these protracted discussions has been to place a large amount of practical information respecting the necessities of commerce and the objects of the Treaty Powers before the Chinese authorities, and that good must ultimately result from the light thus thrown on matters in which the prejudices run strong in a direction opposed to all progress, he still assumes that to accept any lesser facilities than those demanded will be a virtual acquiescence in the Chinese views of danger from great and sudden changes and fatal to any hope of advance. It would be "to sustain their prejudices, and strengthen them in a course of resistance to innovation which, if continued, must inevitably end in their ruin." The conclusion arrived at is that "it is a timid policy which hazards all in attempting to hazard nothing." What he appears to apprehend is, that if foreign Governments express themselves satisfied with what the Chinese have conceded, they will be stopped from pressing any material measures of improvement in future, and all progress will end just where the Chinese desire, that is, where, in their ignorance and timidity, they see dangers which do not exist.

In respect to the whole of this argument in support of the necessity for insisting upon what the present Chinese Rulers are equally bent on refusing to grant, there is so much that is true both in the premises and conclusion that one is disposed to regret the argument is not carried one step farther by my colleagues, so as to show what means in their opinion can be employed with better success so as to insure the end desired. The United States' Minister would say, "not by accepting the Chinese view, and thus closing all farther argument." He thinks "something has been gained so far, and more good will grow out of the information I have given them than now appears. Something additional may be gained in the same way; but not if all parties are satisfied, and the pressure is withdrawn. For one, he will not consider the work done until all I have asked is granted, and the improvements are established."

For my part, I have so unceasingly pressed upon the Foreign Board, and through them upon all in high authority, the greater danger of stagnation and resistance to all reasonable efforts to advance in the path of progress, that I have nothing left to urge. The Prince of Kung and his colleagues reply, in effect, to such arguments as Mr. Browne adduces, when he speaks of their ruin if they do not admit steamers, foreigners, and railroads everywhere, that they know their own business best, and being perfectly satisfied in their own minds that ruin will follow such sweeping innovations, they prefer facing the evils which the foreigner menaces them with as the penalty of their refusal, to trusting the destinies of the Empire to an express train of European invention for which the country is wholly unprepared.

The United States' Minister "may very truly observe that since the beginning of

European civilization all nations upon whom it has been pressed have used the same argument, and that it would not be well to give up attempting to get railroads and telegraphs established in this country, because China sees ruin in such sweeping innovations. The Chinese are as little likely as the Apaches, or any other tribe of American Indians, to admit the foreigner, with all his civilizing processes and progressive tendencies, into their country, if they can prevent it."

Certainly, I do not think it would be well to give up attempting to get railroads and telegraphs whenever a chance offers of obtaining a favourable hearing; but to persevere in reiterating what has been so often told them, as the experience of the Western world, that a revolutionary change is always brought about not so much by the advocates of progress, as by those who blindly resist a moderate reform, is little better than waste of breath, and does not perceptibly advance anything. It finds no entrance into their minds, and makes no impression. It has always been the mistake of the Chinese to believe that safety is only to be found by standing on the *vias antiquas* of superannuated customs, traditions, and policy. The exclusion of the foreigner as a condition of safety is a conviction as deeply rooted in the year 1863 as in 1838, when the Canton authorities, by their intolerance of a few merchants at the farthest limits of the Empire, forged the first links in the chain of events that has led to three wars, each one opening wider and wider the closed gates, and bringing over larger and larger numbers of foreigners to their coasts, a foreign army to the gates of Peking, and subsequent Legations permanently fixed in the capital.

The very measures they have taken on each successive occasion to carry out this policy of restriction, when exclusion became impossible, only hastened and made more inevitable its failure. In the face of this experience they still resist all argument and persuasion to make the way smooth for larger and freer intercourse. In act, if not in words, they declare their conviction that of the two dangers with which they are threatened by the irrepressible desires of the foreigner, better that which may come to them from their worst spite in war, than the ruin and disaster which the surrender of all the cherished traditions and principles of Government inherited from their ancestors, and the wisdom of ancient times, would entail. They think that to them personally it would be better they should perish in defending such principles than in the attempt to play the part assigned to them by foreign policy with the execrations of their own countrymen, and the legacy of shame as Chinese who had proved false to their race and principles.

On the last occasion that I discussed these matters with the Yamên, his Excellency Wên-tajin observed, in reply to a remark, that both the merchants and my colleagues deemed farther concessions essential, and my own countrymen accused me of not sufficiently vigorously defending their interests—"Yes, no doubt; I see what your newspapers say sometimes. I, too, am accused of being a renegade, and only wearing Chinese clothes."

It may be said that their cherished traditions and principles of government did not save them from the advances of nations which have no such traditions, and less still will an adherence to obsolete principles of action save them in this age of steam and electricity; and that they must advance like the rest of the world. And it may be farther urged that the masses of the people will have good reason to execrate their rulers if they persist in their present unenlightened policy; and counsels to this effect have often been given. But not the less do they persist in their own views; and as for any ruin Mr. Browne or other foreign Minister can predict as the result of a stagnant or retrograde policy, they feel quite easy so far as the effect on the millions of Chinese subjects, to whom foreign Ministers cannot communicate their ideas, is concerned. They argue that the same laws and rules of government which have sufficed to maintain the Empire through so many dynasties for the last 2,000 years—far longer than any empire of European origin has ever existed—will preserve it still if they are left to themselves; and if ruin comes it will be from without, by the aggressive acts of foreign Powers; and this is just as likely to follow the initiation of a new policy as the refusal to enter upon the perilous experiments now pressed upon them by the foreigner for his own ends.

Nor is this condition of things so unprecedented or exceptional that the Chinese Government can be regarded as altogether out of the pale of civilized nations in maintaining their resistance to reforms and all foreign innovations. I find the following extract from the "Journal des Débats," of information received from Rome in October last:—

"Le mot de réforme est trouvé aussi dangereux en politique qu'en religion. Renoncer aux anciennes coutumes, s'écarter des vieilles traditions pour entrer dans le courant des idées nouvelles, tout cela est inconciliable avec les principes du 'Syllabus,' et c'est, dans la conviction du Gouvernement Romain, courir au suicide."

Change Rome for Peking, the Syllabus for Confucius, and the description answers as perfectly for China as for a State in the heart of Europe; and France which alone maintains the temporal power of the Pope, whose Representative here would insist upon sweeping changes and innovations in the Chinese Empire, has not found it easy or possible hitherto to move the Pope in this direction, who is entirely dependent on the arms of the French for the power to resist all progress. I think the conclusion is irresistible that it may be a still more difficult task in China.

If this be a true representation of the prevailing tone of the minds of those who at present hold the reins of Government at Peking and throughout the provinces—and I at least cannot doubt that it is so after the ample opportunities I have had during the past year alone in frequent personal intercourse while these negotiations have been going on, apart from all previous sources of knowledge—the practical question to be solved is one to which no answer has been furnished by any of my colleagues, by Mr. Browne any more than the others. By what means can these convictions be made to prevail, or this resistance of the governing classes of China be overcome, so as to insure the desired end? Whether that end be limited to free access to the interior and right of residence, or comprise the whole catalogue of improvements—railroads, telegraphs, and steam navigation, working of mines, &c.

It may be very true, as Mr. Browne contends, that if the Chinese people at large could be thoroughly informed of the questions at issue, and understand them, they would not hold the same sentiments as the governing classes. It may be equally true that nothing but increased intercourse with foreigners will enlighten them as to their true interests, and when the Government feels assured that the people will sustain it or force it to go on, it will advance. But let it be assumed that all the foreign Representatives now in Peking, and their respective Governments, are of the same opinion, and as entirely convinced as the Minister of the United States that "there is more danger in protracted delay than in the most sudden and radical of innovations;" still the question recurs, by what means can this opinion be made to prevail? It has availed nothing to point out to them that all the conditions of natural existence have changed since the days of Confucius and the revered sages who laid down those principles of government and action they are so fond of quoting. As little to remind them that, in these days of steam and electricity, England, France, the United States, and all the Western nations, are their neighbours, nearer in effect than the Thibetans or Mongols, and have entered into far closer relations with them. I can add nothing on this head which was not said in my note communicated to the Yamên in November 1867, when the present negotiations were initiated, In the face of the Chinese *non possumus*, quite as difficult to deal with as France finds the Pope's, by what means will any foreign Representative or Power make the better opinion prevail?

If a whole year devoted to this labour earnestly and persistently on my part has failed to obtain the desired results, is there any better hope for other Representatives, or of better success at the end of a second, if all their efforts were united? As I have spoken latterly with whatever weight the unanimous opinion of my colleagues could give, and with as little effect as when I represented the views of my own Government singly, I cannot be expected to feel very sanguine from a continuance of similar efforts.

To this Mr. Browne responds: "If at all, by increased intercourse, and this can only be brought about by refusing to accept the Chinese view, and continually urging the progressive alternative. It is not, certainly, to be looked forward to in any form of 'masterly inactivity.' Of all places in the world, China is the best satisfied to be left alone;" and he asks, "will railroads, telegraphs, &c., come by saying the Chinese see great danger in them—the country is not prepared for them—let her alone?" He admits that, "doubtless, how to make more enlightened views prevail is the whole difficulty;" and adds, "if there was any way of making them prevail directly and at once, without force, there would be no occasion for protracted negotiations. It is much easier to show that they never will prevail than to show how, or predict when, they can be made to prevail. Still, by not admitting that the Chinese Government has done what might reasonably be expected, and by never relaxing in the effort to convince, may it not be that this exclusive spirit will give way, perhaps more suddenly than we expect?" This, nearly verbatim, is Mr. Browne's response to a statement of the practical difficulties which, here and elsewhere, I have set forth, and recently brought more directly under his special notice. But these conclusions, as your Lordship is aware, do not differ very essentially from those I have long held, and leave the practical question as far as ever from a practical solution.

Mr. Browne, no less than myself, seems to admit that time must be allowed to enter into the solution of so complex a problem as an important factor. Without it, and a large measure of patience and forbearance on the part of foreign Powers, I do not see how any

satisfactory end is to be obtained. But this is precisely what both my colleagues and the Memorialists seem alike disposed to forget when they demand a prompt success. They require progress in larger measures than has been found attainable, with more rapid steps and more decided issues.

As, however, neither merchants nor statesmen can be supposed, as practical men of business, to demand results which are unattainable, or to point to any end as essential without being prepared to adopt the means, and some conception of their nature and the conditions of their employment; it may seem strange that I have nothing more definite to convey to your Lordship on this head from either sources.

So far as may be gathered from the Memorialists, they seem to assume that nothing more is required to secure all they have asked or desire than the will, on the part of Her Majesty's Government, to demand. If the will to demand means that Great Britain should come to the decision to impose certain conditions of intercourse in an ultimatum, with peace or war as the alternative, it is possible they may be right in assuming that, as in former cases, Treaty stipulations might be dictated which the Government at Peking would be compelled to accept on paper.

But I do not conceive this to be the meaning of those who signed the several Memorials. I rather conclude that they have been misled into the belief that the mere expression of the will, on the part of Great Britain, to have certain conditions of intercourse and trade conceded, would suffice if firmly asserted. I think the past year's negotiations should be sufficient evidence of the fallacy of any such conclusions.

Again, as regards the other Representatives who, with the exception of Mr. Browne, have not, so far as I know, entered into any direct communication with the Chinese Government on the subject of revision and increased facilities or advantages, I do not gather from their several expressions of opinion on the comparative insignificance of the results so far obtained, that they are prepared to suggest any means by which other and better results might be secured.

They may hope that something more may yet come of these negotiations, if the instalments on my demands be not accepted. That, as Mr. Browne has recently observed, the Chinese Government never having had a regular and persistent course of argument, accompanied by practical information, pressed upon them, until the last year, since the revision came under discussion, and much of this has come upon them in a new form and under a new combination of circumstances, the complete result has yet to be reaped, and it may be fuller and more complete than at present appears probable.

If so, I can quite understand why they should continue to insist upon what is incomplete and unsatisfactory in the concessions at present offered by the Chinese, and the policy of not accepting them.

But the practical question yet presses for answer. If no other means be contemplated than persistence in demands for larger and more satisfactory concessions, and these in the end fail, what remains to be done, and what course shall be followed?

Whether a contingency of war with a foreign Power would be accepted by the present rulers of China, rather than concession, is a question difficult to answer with any degree of certainty. It is possible they might yield at the last moment, even before another army was actually at their gates. But it is also quite possible that they would do as they have done before, and resist as long as the means of resistance lasted.

How far Great Britain might be disposed to go in this direction, I need not here stop to inquire. That is a question it will be for Her Majesty's Government to determine. If it be true, as has been recently maintained, that, although the policy of absolute non-intervention has been condemned by public opinion in England, the intervention of the future, unlike that of the past, will tend more and more in the direction of efforts "enabling each nation to develop itself according to its own inherent nature and peculiarities," it will be difficult to reconcile such a principle of action with any attempt to impose upon China, against her will, European forms of civilization, religion, and legislation, with railroads and telegraphs for accessories, none of which things are desired by its rulers, nor can be said to be objects of desire to the people. This, of course, as Mr. Browne has observed, opens up the whole question how far civilization has a right to go in imposing its principles and agencies on nations supposed to be less favoured than others, on which I need not enter here.

Nevertheless, if these things, any or all of them, may rightly be insisted upon by one nation or race in dealing with another, it is quite certain the end can only be attained with any swiftness or largeness of measure in the Chinese Empire, as it is at present constituted, by the employment of force. If driven into the toils and perils of a revolution which they believe, rightly or wrongly, such sudden and violent changes will induce, they would rather it should come with irresistible force from without than by their own voluntary act. All

past experience tends to prove that nothing designed to promote foreign intercourse and progress has been done by their own voluntary act, if we except a very lame and imperfect attempt to found a foreign college which is being allowed to lapse into failure, and the creation of provincial arsenals and small fleets of gun-boats or steamers, which are the work of Viceroys, and by no means brilliant evidences of success, and still less of a sustained desire for progress in European civilization. The despatch of a Diplomatic Mission to Europe is the only decidedly spontaneous and irrevocable step taken by the Chinese rulers since the signature of the last Treaty.

There are many whose interests are more or less directly concerned in the development of trade with China, I doubt not, who are disposed to conclude that even if these ends are attained a little hastily and roughly it will be better than leaving innumerable evils to accumulate from sheer want of "motive power" to remove them. It is probable that Mr. Browne is not the only one now in this country who sees "more danger in protracted delay than even in the most sudden and radical of innovations," that an acquiescence in the Chinese view would lead to retrogression, and in that "there are elements of far greater disaster to China than any contained in the proposed changes." I certainly agree with him that this may be so, and in the farther conclusion that there is no reason to hope for great changes in any voluntary movement by those now in power. While the Emperor is yet in his minority, at all events, I think it is vain to expect it. Whether they will, if they retain the power after his majority shall be attained, two or three years hence, be any better disposed to grapple with the difficulties and face the determined hostility of the ruling classes, is very doubtful, of course. All that can be said is, that the conditions for such a spontaneous movement would be less unfavourable than they are at the present time.

Under these circumstances I think it must be clear to Her Majesty's Government that they must make their election to resort to other means than I have felt authorized to employ, and with a clear contingency of war for the attainment of the main points insisted upon by merchants and by my colleagues generally as alone important and essential to all effective progress,—or be content with the chance of much less, and the somewhat vague hope of gradual progress under less trenchant methods of persuasion. Pressure, indeed, there must always be here if anything is to be achieved for the advancement of foreign interests and commerce. In one way or other, however we may disguise it, our entire position has been created by force,—naked, physical force; and any intelligent policy to improve or maintain that position must look to force in some form, latent or expressed, for the results. Education and the arts of civilization must make much greater progress before mere persuasion, reason, or argument will suffice to obtain tangible results, in the direction Europeans desire, from an Asiatic race constituted as the Chinese are, and governed by Rulers such as now hold the reins and direct its destinies.

I agree entirely with Mr. Browne that, as regards inland residence, the "necessity for exterritoriality will not be lessened by limiting foreign intercourse to the ports," and that "there must be a fixed code of laws and a radical change in the system of administering justice in this country before exterritorial protection can find a substitute in native Courts;" but I am not so clear as he seems to be that the only way to bring that about is by increased intercourse.

No doubt if the country were overrun by foreigners of all nationalities, not amenable to Chinese laws, and practically exempt from any jurisdiction of their own, the amount of mischief that would be done, and of mutual wrong and injury inflicted, would be so great as, sooner or later, to become not only intolerable but incompatible with any fixed Government. And under such conditions one of two results must ensue: an irregular guerilla-sort of warfare throughout the provinces, wherever foreigners appeared, probably leading to a war of reprisals on the part of some Treaty Powers; or, in despair of maintaining order among its own subjects, or authority in the provinces, the Government at Peking would consent to the constitution of Mixed International Courts for the administration of an International Code.

But have European nations the right by such means to drive another into this strait for the purpose of establishing their own system of laws, even admitting it to be better than the Native Code?

They are not so far from contemplating the possibility of freeing themselves from the opprobrium and humiliation of exterritorial clauses, that they may not consent to something analogous to the Tidjerat in Turkey or the International Courts now contemplated for Egypt. Their agreeing now at once to the adoption of a Commercial Code and fixed rules of procedure in accordance with European principles, so soon as such a system can be perfected, is a very fair step in advance. The Tsung-li Yamên, however, seems to be

chiefly deterred from the larger stride of Mixed Courts of international character for the trial of all offences and civil cases where foreigners and natives are implicated, by the spectacle they would present to their own people, who when involved with foreigners would be tried by one code, and when among themselves any cause of complaint arose by another, if not a much severer, system of law and administration.

I must confess I am very strongly of opinion that, until something can be effected in this direction, it would neither be consistent with justice or sound policy to force upon the Chinese a right of residence for foreigners in the interior without any possible means of exercising jurisdiction over them. And I differ essentially, therefore, from the United States' Minister, who seems to contend that the mischief shall first be incurred, and when it became too intolerable for endurance, a remedy might be devised which would then be accepted as the lesser of two evils.

Turkey and Egypt are both in much the same conditions of difficulty, under the Capitulations with foreign Powers, as China in this respect. A well-written article in the "Revue des Deux Mondes," entitled "Hommes d'Etat de la Turquie," which appears in the February number, gives a forcible picture of Turkey's difficulties under their political tutelage and universal bad government, such as they appear to an enlightened Turk. It is impossible not to be struck with the close analogy and the identity of the arguments and reasons put forward by men like Aali Pasha, at the one extremity of Asia, and Wên-tajin at the other.

Aali is reported as saying, in a conversation with the writer: "In vain we try to enlighten the Ambassadors. You call that promising and not fulfilling; we call it saving ourselves from ruin." Again, speaking of the Capitulations, he asks: "Do you know the Capitulations? They are a system of diplomatic arrangements and ordinances, the object and result of which is to despoil Turkey of the right of dispensing justice within her own dominions—a right which belongs to the weakest European State, and to the worst administered: a right, one of the foundations of international relations, which we do not possess at this moment." As to the evils in the interior and maladministration, the same speaker says, with much apparent truth, "Turkey cannot undertake partial reform without the obligation of reforming everything at once making itself felt. This is, nevertheless, what we are asked to do" (alluding to the numerous proposals pressed upon them, for an Imperial Turkish Bank, which resembles the Bank of France, French schools and colleges, in order to make landed property accessible to strangers, &c.), "and whilst we hesitate, whilst we solicit some respite, we are accused of bad faith on account of the delay which we make in consummating our suicide."

In pressing for inland residence, therefore, with the maintenance of rights of exterritoriality, we not only seem to the Chinese Government to overlook the real object of these obnoxious privileges, which was to insure protection to foreigners, not immunity, but to seek, for our own exclusive profit, to parade them in the interior before their own subjects whom they must govern, in a position of humiliating helplessness, alike unable to exercise the right of dispensing justice on foreigners or to insure the protection of their laws to the Chinese. That their objection to such a proposal should be insuperable, can hardly be matter af surprise to any foreign Power.

To sum up the whole, I desire progress as much, perhaps, as its warmest advocate; but for thorough reforms, without which little way can be made, the requisite workmen and receptibility are alike wanting. Proceedings by force are very tempting. They are prompt; and if they do not always realize hopes they give at least some immediate promise. But in China we should distrust victories which create as many embarrassments as they surmount. We cannot remodel the Chinese Empire and people, with their national institutions and system of government, by Treaty stipulations. We cannot suddenly change the character and customs, any more than the language, of an Asiatic race, however convenient or desirable it might be to assimilate both to European types. But Western Powers may do incalculable mischief by making the attempt. Both change and progress may be initiated by force, but neither can be carried beyond a certain point without danger of disintegration. Change, as well as progress, has made great way during the past twenty years, as those cannot fail to remark who have been, during that time, in the country. There are those still here that can remember the refusal of the Canton authorities to allow a steamer to run between Macao and the Bogue Forts on the river. It was alleged to be fraught with danger to the fishes, to the bed of the river, by stirring up the mud, to the native craft, and fifty other reasons were adduced as conclusive against the scheme. And for the time they prevailed, but now the river is covered with steamers and filled with native goods and passengers travelling between Canton and Hong Kong; while the Viceroy himself has a steam flotilla, and mandarins make no scruple in taking passage themselves with their families in steamers everywhere. So will it be with the

one solitary steamer on the Poyang Lake. It is the beginning of better things, which will work their own way by a process of natural development if not too violently urged. And the first spade of earth turned over for a railroad will be the certain promise of railroads from Peking to Canton, and with lines to the capitals of every one of the provinces.

This train of thought will sufficiently explain why, desiring progress to the full as earnestly as my colleagues, I am disposed to rest satisfied with smaller concessions, because I regard these as constituting the wedge for introducing and developing something better, and also because they offer, if not the best, the only chance of introducing any reform in the midst of the ineptitude and ignorance, as well as the corruption and misgovernment which every where prevails in China at the present time.

I have, &c.

(Signed) RUTHERFORD ALCOCK.

Inclosure 1 in No. 82.

The Prince of Kung to Mr. Browne.

(Translation.) *Tung Chih, 7th year, 11th moon, 4th day (December 17, 1868).*

PRINCE KUNG, Chief Secretary of State for Foreign Affairs, herewith makes a reply.

I have had the honour to receive your Excellency's despatch of the 27th ultimo, in which you inform me that when the three High Ministers sent from this Government as Envoys to the Treaty Powers reached the United States, they were received by the President with great consideration and pleasure, and that both the Houses of Congress greeted them with marks of respect that had not been accorded to other Ministers, while the people at large likewise showed them the utmost cordiality and regard.

From this it is evident that the officers and people of the United States, without regard to rank or station, cherish a sincere friendliness towards this country; and that assurance gives me, on learning what you have now informed me, the most thorough gratification, and for which I desire to accord my thanks.

The various points which you have, in the despatch under reply, urged this Government to consider, in connection with the revision of the British Treaty, likewise prove the earnest wishes which animate your Excellency in aiding these consultations; and your suggestions and reasonings are every way good and worthy of consideration. But in the conduct of its affairs, it behoves every country to watch the times and their tendencies, that its own power suffer no detriment, neither in the prerogatives of the Throne nor in the control exerted over the people. If these conditions can be maintained, improvements (or new things) can be adopted. This principle is applicable to all countries, as well as to the Middle Kingdom.

The advantages which you urge in the despatch under reply will attend the adoption of those improvements, have continually been brought forward by the foreign Ministers resident here in frequent conversations. Some of their suggestions were such that we saw no insuperable difficulty in adopting them; but others could not be adopted, and others again could not yet be accepted. It was necessary to carefully watch the times, and see whether to act or no; to judge whether to do it now or defer it till a subsequent day.

The former British Minister, Sir Frederick Bruce, and indeed all the resident Ministers in Peking, were and have been well aware of these principles of action; but among them all no one better appreciated their force than the former Minister from the United States, whom His Majesty has now sent as his Envoy Extraordinary to the Treaty Powers. Nor have I the least doubt but that, in succeeding to the post formerly held by Mr. Burlingame, your friendly feelings and clear comprehension of the situation are similar; for both are shown in the present despatch, in all the matured plans and excellent suggestions with which you have favoured this Government. I beg to thank you for all the interest you have thereby shown in whatever will benefit us.

I have no reason to doubt but that you are already aware of the present position of the negotiations with the British Minister, and the several arguments which have been used in discussing the various points; and I therefore deem it unnecessary to repeat them here, but content myself with these general remarks upon the whole question, and this expression of my sincerest thanks for the trouble you have taken.

Inclosure 2 in No. 82.

M. Vlangaly to Sir R. Alcock.

M. le Ministre et cher Collègue, *Péking, le* $\frac{11}{23}$ *Décembre*, 1868.

JE me suis empressé de porter à la connaissance de nos honorables collégues la communication du 7 courant que vous m'avez fait l'honneur de m'adresser à cet effet, au sujet des dernières négociations avec le Tsungli Yamên sur la révision du Traité de Tien-tsin.

Quelques différentes que puissent être les opinions sur le travail ardu et long que vous avez dû entreprendre, notre profonde reconnaissance est unanime pour l'obligeance et la sincérité avec lesquelles vous nous avez tenu tous au courant de vos négociations avec le Gouvernement Chinois. Si le résultat n'a pas été aussi complet qu'on l'aurait désiré, tous les moyens de conciliation ne furent pas moins épuisés, et la situation actuelle avec ses difficultés s'est plus nettement dessineé.

Dans les lettres que j'ai l'honneur de ci-joindre, votre Excellence trouvera les idées de nos collègues sur les bases de révision acceptées par le Tsungli Yamên. Je me permettrai d'ajouter une opinion qui est dans le fond de toutes les pensées et qui représente aussi la mienne, c'est que les avantages les plus minimes, dont l'exécution serait assurée, acquerraient de l'importance et serviraient de gage de progrès pour l'avenir.

Je saisis, &c.

(Signé) A. VLANGALY.

(Translation.)

M. le Ministre and dear Colleague, *Peking, December* $\frac{11}{23}$, 1868.

I HASTENED to bring to the knowledge of our honourable colleagues the communication of the 7th instant which you did me the honour to address to me, on the subject of the last negotiations with the Tsung-li Yamên on the revision of the Treaty of Tien-tsin.

However different the opinions may be on the arduous and prolonged labour which you must have undertaken, our deep gratitude is unanimous for the courtesy and sincerity with which you have kept us informed of your negotiations with the Chinese Government. If the result has not been as complete as might have been desired, all means of conciliation were none the less exhausted, and the actual situation with its difficulty has been more clearly defined.

In the letters which I have the honour to inclose, your Excellency will find the ideas of our colleagues on the bases of revision accepted by the Tsung-li Yamên. I shall venture to add an opinion which is deeply rooted in every mind, and which represents mine also, namely, that the smallest advantages, the execution of which should be secured, would acquire importance, and would serve as a guarantee for progress in the future.

I avail, &c.

(Signed) A. VLANGALY.

Inclosure 3 in No. 82.

Baron Rehfues to M. Vlangaly.

M. le Ministre et cher Collègue, *Péking, le* 16 *Décembre*, 1868.

JE vous renvoie ci-joint la note par laquelle Sir R. Alcock a bien voulu nous communiquer le résultat des négociations qui ont eu lieu entre lui et le Tsungli Yamên par rapport à la révision du Traité de Tien-tsin.

Ayant déjà eu, dans le temps, l'occasion de me prononcer sur les différents points qui se sont présentés dans cette circonstance, et rien n'étant changé, à ce qu'il me semble, dans notre position vis-à-vis de la dite révision, il ne me reste pour le moment qu'à me référer à la note que je vous avais adressée à cet égard en date du 18 Août passé, et de porter les derniers documents à la connaissance de mon Gouvernement.

Veuillez, &c.

(Signé) REHFUES.

(Translation.)

M. le Ministre and dear Colleague, *Peking, December* 16, 1868.

I RETURN to you, herewith inclosed, the note by which Sir R. Alcock has been good enough to communicate to us the result of the negotiations which have taken place

between him and the Tsung-li Yamên with reference to the revision of the Treaty of Tien-tsin.

Having formely had occasion to give my opinion on the various points which have arisen in this case, and nothing being changed, as far as I can see, in our position with respect to the said revision, for the moment there is nothing left for me but to refer to the note which I had addressed to you on this subject, bearing date the 18th August last, and to bring the last papers to the knowledge of my Government.

Pray, &c.
(Signed) REHFUES.

Inclosure 4 in No. 82.

The Count de Rochechouart to M. Vlangaly.

M. le Ministre, *Péking, le 19 Décembre*, 1868.

JE vous renvoie les Memoranda que Sir R. Alcock vous avait prié de communiquer. J'ai lu ces pièces avec le plus vif intérêt, et ne puis m'empêcher de déplorer que les efforts de M. le Ministre d'Angleterre n'aient pas obtenu un résultat plus positif. Les promesses des Chinois sont bien vagues et offrent bien peu de garantie pour quiconque a traité avec le Tsung-li Yamên.

Je ne manquerai cependant pas de communiquer ce travail à mon Gouvernement, afin de l'édifier sur la bonne volonté des Chinois préconisée par M. Burlingame.

Je saisis, &c.
(Signé) ROCHECHOUART.

(Translation.)

M. le Ministre, *Peking, December* 19, 1868.

I RETURN to you the Memoranda which Sir R. Alcock had requested you to communicate. I have read these documents with the deepest interest, and I cannot help deploring that the efforts of the English Minister have not obtained a more positive result. The promises of the Chinese are very vague, and offer very little guarantee for whoever has treated with the Tsung-li Yamên.

I shall not fail, however, to communicate this work to my Government, so as to bring before them the goodwill of the Chinese extolled by Mr. Burlingame.

I avail, &c.
(Signed) ROCHECHOUART.

No. 83.

Sir R. Alcock to Lord Stanley.—(Received March 9, 1869.)

My Lord, *Peking, December* 24, 1868.

OF all the various questions raised by the Memorials of the merchants setting forth the numerous wants for which they desire provision to be made in any revision of the Treaty of Tien-tsin, no one seems to me of greater importance than that of residence in the interior. None presents so many difficulties in the way of successful negotiation, or appears to involve such serious consequences if carried into practice. For this reason I cannot feel satisfied that I have fully discharged my duty so long as anything remains to be said on either side with an important bearing on the questions involved, or which may further tend to elucidate the whole subject when under the consideration of Her Majesty's Government.

I venture, therefore, as continuation to my despatch of the 23rd instant to throw into a more consecutive form all the essential considerations to be borne in mind before any final decision be taken as to the policy to be adopted in this particular.

A right of residence in the interior requires careful examination from several different points of view.

Can it be insisted upon, together with the privileges of exterritoriality, on any principle of reciprocity or justice?

If considered just or reasonable in principle, could it be reduced to practice?

If practicable, would it under all the circumstances be expedient or sound policy to impose this condition upon the Chinese, having regard to the maintenance of good relations and the extension of our commerce?

What would be the probable, if not the inevitable, effects of such a measure?

These are questions requiring not only consideration, but a clear answer.

On the question of inland residence, the "Times" argues much as the Minister of the United States here. The writer of a recent article on Treaty revision, speaking of Tsêng Kwo-fan, says, "He is emphatic only on the score of railways, telegraphs, inland steamers, and inland residence, and advises armed resistance in preference to concession. But the matters about which the Viceroy is inflexible are just the most important for ourselves and for the Chinese people;" and concludes, "this country must demand what is granted by every civilized State to another—the right to travel, to reside, and to pursue whatever industry they may think proper."

To which the Chinese reply, "We are quite ready to do so whenever you will place your subjects in the same position that they occupy in any other country, or that ours would occupy in yours, and make them subject to our laws, and amenable to our jurisdiction."

Now, however unacceptable it may be, or practically impossible for the foreign Powers to give up at once the exterritorial clause and surrender their subjects to the tender mercies and doubtful justice of Chinese officials, with an elaborate system of question by torture and ling-chi, or putting to death by inches, in the background for the final act, can it be asked with either reason or justice that all the privileges granted in other countries should be conceded while we utterly refuse all reciprocity of conditions.

If foreign Powers stipulate that their subjects shall freely reside, trade, and travel in the interior exempt from the jurisdiction of Chinese authorities and laws, and do not mean by that to introduce a state of license and immunity from any legal obligations and with it universal wrong and disorder, then the obligation is clear themselves to provide the necessary machinery for governing their own subjects wherever resident or scattered throughout the Chinese Empire. Which of the Treaty Powers has ever thought of undertaking such a task? And by what possible means could the end be secured if every Power were willing to incur the inevitable expense of establishing Judges and Courts in every province?

I do not say it is impossible to devise some system which might, by the combined action of all the Treaty Powers meet the difficulty to a considerable extent. The adoption of an international code of civil and criminal law, and establishment of Mixed Courts at certain central points to which all foreigners, of whatever nationality, should be amenable, in analogy with the state of things in Turkey, does not seem altogether impracticable. And this effected, such modification of the exterritorial clause might be made as would reconcile the two demands, and their otherwise incompatible pretensions: that of the Powers for unrestricted access and rights of residence for their subjects in the interior; that of the Chinese, that the territorial rights and jurisdiction of their Sovereign should be respected by all so privileged.

But to insist upon the one without making any provision for the other would, in my opinion, be an indefensible act, irreconcileable alike with reason, justice, or good policy. Enforcement of such a right could not fail to be followed by evils, the extent and effect of which it is difficult to estimate. But beyond all doubt they would be fatal to any extended intercourse and improved relations of trade or amity with the Chinese people. And that after all, with the commerce resulting and absolutely dependent upon it, is the main object of the Treaties.

It is quite possible that there are among the advocates of such a policy some who would contend these anticipated evils are exaggerated, if not altogether imaginary; and that mutual interests would afford a sufficient check to lawless violence on either side. That rowdyism has existed in times past, but still recent, and a few foreigners of all nationalities scattered up the rivers and creeks, have lived by pillage and murder, and held whole districts in terror and subjection, levying black mail upon them with comparative impunity,—cannot indeed be denied, because the facts are too strong and generally known.

But this, it may be said, is an evil of the past. Rowdies no longer exist in China, nor is their return to be feared. The danger exists only in the brain of the British Minister. Such things have been said, and may be said again: but they are not statements calculated to carry conviction to the mind of any one acquainted with the facts, or the history of the past, as well as the actual conditions of the country.

Even among the more peaceable classes of foreigners who frequent the Chinese coasts, residents with legitimate occupations, and who do not go into the interior either to rob or to murder, how far can these be counted upon, when released from all the restraints of public opinion and a legal jurisdiction, to respect the rights of Chinese, and scrupulously avoid all injury and just cause of offence?

The inclosed extracts from Shanghae and Hong Kong papers may suffice for an answer in full, coming from such a source. A conscientious regard for the rights of others, without any law to enforce it, can only be exceptional as the world is constituted. To expect it to be the general rule among the members of all nationalities in China, would be little better than an act of folly or insanity. And where constant wrong is, there will be ever increasing disorder and enmity, until both culminate in violence and bloodshed. If this is not what the merchants desire, or their respective Governments can deliberately sanction, then it follows too clearly for question or dispute, that neither can claim rights of residence in the interior without incurring the corresponding obligation of providing for the good government and control of all foreigners availing themselves of such privileges, whether that be best attained by the surrender of the exterritorial clause, the restriction of the right to individuals sufficiently secured, or the substitution of a system of Mixed International Courts, and the administration of justice by competent authorities wherever foreigners may penetrate into the interior.

Lastly, there remains to be considered the question of mercantile advantages to be reaped, assuming the difficulties both of principle and practice to be all removed.

Although there is a very general accord observable in the Memorials as to the necessity of free access to the inland markets, and right of residence in the interior, I have received very strong opinions in a contrary sense, both from Foo-chow and Canton, in the inclosed Reports from the Consuls of those ports.

The Memorialists from Foo-chow joined with the others in praying for this privilege, with liberty to rent houses and ground, without which it was stated the right to travel and reside would be useless. But on further reference to them, the Consul reports that he has received many adverse opinions. One resident merchant, though he thinks it might be a step in the right direction, doubts its materially affecting the trade of the port. A second would look upon any such arrangement "as most pernicious and highly injurious to foreign interests;" and he continues, "such permission would fearfully increase competition; and we have proved that, being nearer to the consumers of imports and growers of exports, has only increased the cost of the latter and lowered even the prices obtained for the former. This has been exemplified in Hankow to the fearful cost of many; and I only wish that permission to go into the interior for trade could entirely be denied to foreigners." A third is "quite of opinion that the fact of foreigners going into the interior to buy would cause higher prices to be paid for teas, and the consumption of goods is not yet on a scale sufficiently large to support establishments in the country."

Mr. Consul Robertson, from Canton, states that, "as regards the advantages to be derived to trade by residence in the interior, that it is a point that must remain unsettled until it is tried. My own impression is, that the foreign merchant makes a great mistake in desiring the diffusion of trade over a wide area. Concentration and not expansion should be his object."

Messrs. Jardine and Matheson, in their Memorial, while asking that a right of residence up-country should no longer be withheld, but obtained in the fullest manner, nevertheless seem to anticipate no small danger in "a policy charged with much explosive materials;" and end by recommending numerous restrictions on the exercise of the right if conceded.

Mr. Consul Winchester, from Shanghae, who has had large experience in constant communication with the mercantile classes, is of opinion "that no commercial communities can be conceived less fitted in respect to knowledge of the language than those of China to employ usefully the right of residence and travel at places other than ports." And again, "that foreigners generally are, in the respect just noted, little prepared at present to undertake inland operations, or qualified to conduct them with success," though he thinks ultimate advantage would result, and the privilege might be safely conceded.*

It seems to be the general opinion that for some time to come very few merchants would or could avail themselves of it, and therefore that it might the more safely be granted. But in applying this argument, both as regards inland residence and steam navigation, the natural reply of the Chinese is—If there are so few likely to avail themselves of such rights, what is the object of pressing for them, or the immediate end to be secured? The apparent disparity between the small present benefits to be anticipated and the earnestness of the desire expressed for the concessions no doubt tend to excite distrust.

So in regard to the advantages to be derived from inland navigation by steam—a question intimately connected with that of inland residence—whatever may be the

* See Inclosure 3 in No. 21, pp. 33 and 34.

collateral or ultimate benefits likely to follow—and I for one think they would be many—there seems serious reason to doubt whether the privilege, if obtained, would be of any immediate benefit.

It is the opinion, I believe, of many practically well acquainted with the wants of trade, that no steam navigation, either of the Poyang Lake or the inner waters, as a rule would pay. This opinion seems borne out by that of a mercantile body having the largest experience of steam navigation in China, the Shanghae Steam Navigation Company. In an address issued by the directors to the shareholders in September last, there is the followiug passage:—"The business of the river for steamers has been overrated through many causes, not the least of which is the expectation that they would entirely supersede Chinese carriers; but even at low rates of freight there is always a large portion of produce that passes to the sea-board through interior channels in small native boats, the Chinese being able to perform water-carriage at a cost lower than would be believed by the most economical of Western people;" and the Report continues:—"With the material now possessed by the Company, its incomparable facilities, its organized support among all classes of the mercantile community, it may safely be said that the shareholders need not fear the consequences of any contest likely to offer beyond the temporary suspension of profits;" that is any contest with foreign steamers; but as regards native competition, they again give their testimony to the cheapness of native carriage by water: "The Ningpo route is in the hands of the Company altogether, and as it only yields a moderate return on the cost of the boats and premises engaged, it is likely to remain so without opposition. The competition of native boats would prevent any increase in rates of freight or passage even if it was desirable to make any."

Evidence so unequivocal in its nature is, I think, quite conclusive; and I accordingly made use of it in the endeavour to remove one of the principal objections of the Yamên and Chinese officials generally, namely, that the plying of steamers on the inland waters would inflict great injury on the native junk and boat owners, by showing that they had nothing to fear from such competition. That it was unavailing need not be a matter of surprise for the reasons already stated. Apart from their timidity in all matters involving innovation, the policy of protection for native industries has many distinguished advocates still in Europe. The French Corps Législatif was but a few months ago engaged in a long debate, in which M. Thiers and other orators of celebrity and influence argued vehemently against the Treaty of Commerce with England, declaring himself on the side of the Protectionists. Liberal America has not yet adopted the principle of free trade. Many of our own Colonies maintain a Protectionist policy; and even in England there are not wanting firm advocates of it among the ruling classes. When railroads were first proposed there were leading statesmen and others who predicted failure and disaster as the only results to be anticipated from their introduction. Our own Shipping Acts* abolishing protection for native ships are not yet twenty years old, and how long and fiercely that was contested in Parliament and out of Parliament cannot be forgotten.

Mr. Hart's opinion is strong as to the impossibility of any effective competition by steamers on the Poyang Lake, or other inland waters or smaller inland rivers, against the cheaper carriage afforded by native craft. But neither could this move the Yamên.

I am led to believe, therefore, that trade would not find any immediate benefit from the concession of steam navigation in the interior. This is also Mr. Robertson's opinion in respect to the branches of the Pearl River above Canton.

As affording facilities for locomotion and means of travelling throughout the interior, no doubt a cheap steamer-line on any great water-course or lake surrounded by populous districts would be an advantage. But for such a line to be maintained in any direction it would be necessary that the traffic existing, or which might be created, should be large, continuous, and certain, to make it a profitable investment to the owners of steam-boats. If limited to foreign goods and passengers, as Messrs. Jardine and Matheson propose, it would be difficult to point to any line leading to or from the Treaty Ports presenting the conditions of a reasonable chance of profit.

So far as free access to the interior is concerned, and facilities for travelling, I doubt whether much would be gained. The facilities already offered by native boats and carriage are so great, and the charges so moderate, that nothing short of a multiplication of penny-boats, such as find employment on the Thames between the bridges, or London and Greenwich, would be likely materially to aid this object. The breaks in any line of transit across country must be too frequent from rapids in the rivers, want of water in others, and a variety of causes creating impediments. That great facilities for travel actually exist, and the freest access to the interior for foreigners without any such extraneous aids, is proved every day by journeys of missionaries, merchants, and others, for business or

* A.D 1849.

pleasure, from one end of the Empire to the other. The writer in the "China Mail," in the article already inclosed, bears no doubtful testimony to the fact when he says—"Travel in the interior, however little the Treaty provisions are carried out, is a practicable fact, and the safety enjoyed by respectable Europeans in all parts of the Chinese Empire is scarcely inferior to that obtainable in any other Asiatic country, and greater than can be assumed in many other portions of that continent."

I consider this a very qualified admission compared with the reality. Not only is the safety of travelling under the present system of passports far superior to that which can be counted on in any other part of this continent under Asiatic rulers, but hardly inferior to that enjoyed in any part of Europe; almost the only danger to be apprehended, certainly by those who can make themselves understood and are peaceably inclined, is the chance of falling in with a band of insurgents.

For this object, then, I cannot consider any case has been made out showing a necessity for steam inland navigation. However desirable such a concession might be commercially or as an auxiliary means of developing trade and generally a freer intercourse with the populations in the interior, there seems strong reason for believing that some years would elapse before any larger use would be made of the privilege if granted at once. Free intercourse is impossible without some knowledge of a common language. Within that period both natives and foreigners may possibly be better prepared to welcome increased facilities and turn them to profit, without any of the attendant drawbacks now considered inseparable by the Chinese officials.

The one steamer to be placed on the Poyang Lake is but a small beginning, yet from this more may, I think, be hoped for at no distant period than at present appears. Such, I am glad to learn, is even the opinion of the Representative of the United States. In any case, if more is to be demanded at once, the demand must be backed by other arguments than I have felt authorized to employ, in order to give any chance of success.

The same may be said of all the other main points absolutely refused—of railroads and telegraphs, the throwing open of mines to foreign skill and capital, the importation of foreign salt, &c. Whatever may be the desire for decided progress without any delay, as represented more especially by the Minister of the United States, and by the other Representatives in various degrees, are all equally estopped by the want of a motor power, by the impossibility of devising any course of action apart from force and the contingency of war, for securing the end with Chinese co-operation.

It has been well said, in an able Review which has just come under my notice on the revision of the Treaty,* that, "taking the increase of our trade as the great desideratum in our intercourse with China, by far the most important suggestion contained in the Memorials is the admission of foreign goods into the interior at certain fixed and invariable duties;" and after a very fair summary of the difficulties in the way of an effective system of commutation for barrier exactions and taxes, the writer goes on to say, with equal justice, that, compared with this question, "residence in the interior sinks into comparatively insignificant dimensions, and is chiefly recommended as a measure which may bring some incidental advantage, and therefore may be entered upon within narrow limits as an experiment."

The truth is that the total failure in execution of the clauses in both Treaties—that of Nanking in 1842, and of Tien-tsin in 1858—respecting transit dues, I have always regarded, if not as the "cardinal grievance" of which the merchants had to complain, as by far the most important of the disadvantages under which they laboured in their efforts for the extension of trade.

To remedy the evil, it was suggested by the Chamber of Commerce at Shanghae, in its Memorial, that the commutation of $2\frac{1}{2}$ per cent. should be payable at the market in which export produce is bought or imports sold, and thus give at least the provincial authorities an interest in the extension of foreign trade.

But, on consideration in the Commission, it was found such a plan was open to several disqualifying objections. To give the whole of the transit dues to the local officials or provincial treasury of one province only, in which the inland market might be situated, instead of allowing each province its proper share as by law and custom established, was simply to establish one bad unequal practice for another quite as indefensible and still more impracticable.

To collect the whole of the commuted duty at the ports, and subsequently make an equal partition among the provinces through which the produce or goods should be transported, another proposition made was rejected also on grounds of impracticability, there being no adequate machinery or reliable means of supervision and execution by which

* Article on China in the "Westminster Review," October 1868.

Chinese produce on foreign goods could be traced through the provinces to the places of production or final consumption.

There remained a third alternative, when, by insuring to the Imperial Government the payment at the Maritime Customs of the commuted tax in full, took away all pretext for further levy of duties in transit; and by providing prompt means of inquiry and redress in case of exaction, gave a remedy for which foreign trade might be covered under transit certificates, exempting it from all taxation leviable on the part of the provincial authorities.

Between the attempt to secure total exemption on one payment at the port, and the relinquishment of all claim to a differential treatment in the matter of transit and inland dues, I believe there is no middle course offering a hope of success. The latter would put an end to all antagonism with provincial interests, and might be rendered on the whole less disadvantageous than the existing order of things, if the condition were attached that all barriers where duties were leviable throughout the provinces, and the precise amount of such taxes should be made public by Imperial edict, and be declared liable to change only by the same process. But this would be to introduce a more violent change of system than any other method that could be proposed; for it would be to make fixed what is recognized as a principle of fiscal administration to be elastic and to place under Imperial control what has always been exclusively provincial.

If the method of total exemption *in transitu* proposed by the Yamên is not certain of success, it is still, I believe, the proposal that offers the best chances of attaining the end, apart from the consideration of a published Tariff, and the relinquishment of all right of exemption. Any system of commutation at a fixed rate of transit dues, variable and without certain limit, applied to one branch or portion of trade, permeating through the eighteen great provinces of the Empire, must have the double disadvantage of a differential duty in favour of the foreigner, and an interference with the sources of revenue and fiscal administration of the provinces. Nor is it possible in the nature of things to avoid either of these objections so long as that system continues and each province raises its own revenue according to the will or policy of the Viceroys, and the shifting exigencies of different localities and times.

If the one great object of extending foreign trade into the interior and arriving at a large development is to be effected, both the imports and the exports which constitute its staples, but especially the first, must be protected from irresponsible taxation which, in the cumulative character of the charges, becomes prohibitive. Exactions of duties, it matters little which, that partake of a mixed local transit and provincial character, all fluctuating in rate and uncertain in levy, cannot fail to be onerous to a degree which is equivalent to prohibition. The only possible mode of securing this protection, so long as eighteen taxing Powers exist independent of each other and the Central Government, is to exempt all foreign trade from their operation on terms equitable and satisfactory to the Imperial Government, leaving it to the latter to make the compensation required, if any, to the provincial administrations responsible for the revenues of their respective districts. I say, if any be required, because in point of fact, the foreign trade, at present at least, including the chief staples, foreign textile fabrics and metals for imports, and tea and silk for exports, is so trifling in amount compared with the preponderating value of native trade properly so called throughout the provinces, that the Chinese Government may well act upon the law precept, *De minimis non curat lex*. The actual loss to the respective Treasuries would not be great, though subordinate officials would suffer if the exemption were honestly limited to foreign trade alone. But it is the disturbing and complicating element such a destruction introduces which constitutes by far the gravest objection. The necessity for discriminating, especially in regard to Chinese produce, between that which is *bonâ fide* destined for foreign export, and therefore exempt, and the vastly greater portion supplying the wants of the Chinese population in constant circulation through the provinces, and therefore legally liable to provincial and local taxation, entails an arduous duty on the whole fiscal administration. While threatened on the one hand by foreign interference if they err on the side of vigilance, they are equally menaced on the other with a deficiency of revenue, the most serious of all calamities, if they allow any of the native traffic to escape under fraudulent pretext of being in the favoured category. And past experience has shown them and us that "transit passes" are no sure protection, since neither foreign nor Chinese merchants scruple to enter into collusion for the purpose of defrauding the Chinese revenue.*

Such are the principal aspects under which the difficulties inseparable from any scheme for the exemption of foreign trade from inland transit dues and exactions present themselves—difficulties it is of vital importance should be overcome, and yet so surrounded

* See Inclosure 3 in No. 21, p. 32.

by obstacles that the best suggestion for a satisfactory solution leave much in doubt as to results which only experience can determine.

Under such circumstances, I can only repeat my conviction that all other evils are comparatively insignificant in their practical influence; and could a real and effective exemption of foreign trade from transit dues, exactions, and all the obstructions thereto attaching be secured, rights of inland residence, inland steam-navigation, railroads, telegraphs, and mines,—indeed, the whole list of rights and privileges scheduled in the merchants' Memorials,—might be regarded as altogether subordinate and secondary considerations, auxiliary at best, none of them are essential to the extension of foreign trade. If the first were secured, the most sanguine and enterprising of the merchants might well wait patiently while time and persevering effort combined levelled the obstacles at present existing to any more decided advance in the path of progress. Many of the difficulties in these directions will solve themselves if not meddled with, whereas this fundamental grievance of the irregular and irresponsible levy of transit and local dues certainly will not.

I have, &c.
(Signed) RUTHERFORD ALCOCK.

Inclosure 1 in No. 83.

Extract from the "North China Herald" of February 15, 1868.

WHAT opportunity has Hong Kong for escaping the noise of gongs and crackers at Chinese new year, to compare with the trips "up-country" which every one now perpetrates at Chinese new year. More than half the settlement was roaming over the Hoochow hills, cruizing about the ruins of Kia-shing, or paddling over the Si-hu, last week: to say nothing more of the ambitious sportsmen who travel across the Ta-hu in search of a boar. What a relief from the monotony of business these trips afford, and what a store of health they enable a man to lay in.

One or two phases of sport are occasionally indulged in, of a less innocent character. Some people have been heard to boast of smashing game-traps, as of a creditable action—forgetting apparently, the character of the land on which they found these. Admitting that this process of killing game does not accord with our notions, a little reflection would convince the keenest sportsman that to destroy a Chinaman's property, is to ill requite him for the ready willingness with which he allows us to walk over his land in search of sport. But what renders the act more unfortunate is that these traps are not intended to catch pheasants, but wild cats, which the natives snare for two reasons—one because they like their flesh, another on account of their predatory disposition. Apart, then, from its injustice as a wanton destruction of Chinese property, to smash a snare is to favour a pheasant's enemy instead of the pheasant. Another eccentricity is occasionally indulged in by boatmen, to the great disgust and alarm of the countrymen, namely, firing dead grass. They do so, apparently, with no other object than seeing a blaze; but at imminent risk, frequently, of the flames spreading to a cottage or a farmstead. And it behoves boat-owners to check any such "larks" imperatively. Of course it may be said that the peasants burn the grass themselves at times. But they do so with a purpose, and with precaution against the undue spread of the conflagration.

Inclosure 2 in No. 83.

Extract from the "China Mail."

PROGRESS IN CHINA.—FOREIGNERS are so accustomed to grumble at the slow progress which marks enterprise in the far East, that they overlook the real steps which have been taken to bring China within the circle of civilized nations. Let the former resident at the old factories but reflect for a moment upon what has been accomplished within his own recollection, and he will very probably be astonished at the vast difference which exists between the China of twenty-five years since and the China of to-day.

Europeans, once confined to Canton, and subsequently to five ports whence an excursion into the country was a perilous venture, are now dwelling in practical safety at fifteen points upon the borders of the Empire. Peking, the closed city, is open to foreigners, and the policy of the Chinese Government is often moulded exclusively by the advice of foreign Ministers. Steamers are owned and freely used, not only by the money-making class,

whose prejudices have always been to some extent modified by their interests, but by the Government itself. The local Viceroys possess fleets of small steam gun-boats under foreign command. Arsenals and docks have been founded and the former successfully worked.

Travel in the interior, however little the Treaty provisions are carried out, is a practicable fact, and the safety enjoyed by respectable Europeans in all parts of the Chinese Empire is scarcely inferior to that obtainable in any other Asiatic country, and greater than can be assumed in many other portions of that continent.

Schools for the study of foreign languages are flourishing; native troops are being drilled in European fashion. The position of our officials is, as a rule, properly recognized, and the opprobrious epithets formerly in use towards foreigners are almost things of the past. With all this we do not ignore the enormous disabilities which still exist to foreigners, or the vast progress which must yet be made by both Government and people ere they can be ranked among the progressive nations of the earth. But in all cases when physical progress has been made, it has been the result of conviction that it will tend to their own advantage—as witness the foreign Customs Service, which is perhaps the last possibility which would have been foretold by the factory-cooped resident of the old East India Company. With these signs of progress, rapid indeed in proportion to the existence of a nation whose antiquity was remarkable when the present Continent of Europe was occupied by unconquered savages, we cannot but believe that the future has much in store if we are content to labour and to wait—to labour in all faith to raise the political and religious character of the Chinese; and to wait the inevitable fulfilment of their destiny. Opinions may differ as to how the former is to be accomplished, and it may be that judicious force, like the correction administered to youth by experience, is at times necessary. But we shall never err by giving the Chinese the opportunity of seeing the good to be effected by our material aids to civilization; in cases where the commercial element forms the supporting force, it is a necessity, and hence the introduction of telegraphs and railways under foreign auspices, and by foreign resources alone, becomes a mercantile necessity. That their final success as self-maintaining institutions solely by native aid is a certainty, we fully believe, and we gladly hail the intelligence that the skill and science of the West is about to be brought to bear on the subject in a manner which is best conducive to that eventual end.

Inclosure 3 in No. 83.

Consul Sinclair to Sir R. Alcock, May 1, 1868.

[See Inclosure in No. 68.]

Inclosure 4 in No. 83.

Consul Robertson to Sir R. Alcock, May 13, 1868.

[See Inclosure 1 in No. 59.]

Inclosure 5 in No. 83.

Memorandum on Inland Towns of the Province of Kwang-tung, &c.

[See Inclosure 2 in No. 59.]

No. 84.

The Earl of Clarendon to Sir R. Alcock.

Sir, *Foreign Office, March* 12, 1869.

I HAVE received your despatches of the 23rd and 24th of December, supplementary to the general report of your negotiations with the Chinese Ministers on questions relating to the revision of Treaties, contained in your despatch of the 6th of December.

As the two despatches of which I now acknowledge the receipt appear to be the closing ones of the series, I will no longer defer expressing to you the high appreciation of Her Majesty's Government, and their entire approval, of the zeal and indefatigable industry that you have shown during this long-protracted negotiation.

The whole of the papers are now before the Board of Trade, and I must await their judgment before I can send you any definite instructions on the subject; but whatever may be the nature of those instructions, and whatever result may attend the execution of them, the thanks of Her Majesty's Government are still due to you for the pains that you have taken to induce the Chinese Government to agree to concessions which, though they may not secure all that could be wished, will doubtless prove valuable to British commercial interests.

I am, &c.
(Signed) CLARENDON,

No. 85.

Sir F. Rogers to Mr. Hammond.—(Received March 17.)

Sir, *Downing Street, March* 16, 1867.

IN answer to your letter of the 1st of March, I am directed by Earl Granville to state to you, for the information of the Earl of Clarendon, that he concurs in the opinions expressed by Sir R. Alcock in his Memorandum to Prince Kung, and especially in his suggestion that it would be desirable that a Chinese Consul should be appointed in Hong Kong.

A despatch to that effect has been addressed to Sir R. MacDonnell.

I am, &c.
(Signed) FREDERIC ROGERS.

No. 86.

The Earl of Clarendon to Sir R. Alcock.

Sir, *Foreign Office, March* 20, 1869.

I COMMUNICATED to the Colonial Office to the first paragraph of your letter to Prince Kung of the 14th of December, of which a copy was inclosed in your despatch of the same date; and I have now to acquaint you that I have been informed that Earl Granville concurs in the opinions therein expressed, and especially in the suggestion that it would be desirable that a Chinese Consul should be appointed in Hong Kong.

A despatch to that effect has been addressed to Sir R. MacDonnell.

I am, &c.
(Signed) CLARENDON.

No. 87.

Sir R. Alcock to Lord Stanley.—(Received March 22.)

My Lord, *Peking, January* 7, 1869.

WITH reference to my despatch of the 14th of December last, I have the honour to forward a translation of the Prince of Kung's rejoinder to my reply touching the six points on which he deemed some change essential. His Imperial Highness now desires that they should be submitted to your Lordship, together with the whole correspondence already forwarded concerning the revision of the Treaty.

Your Lordship will perceive that a notable change has been made in Prince Kung's reading of reciprocity subsequent to the receipt of my answer to his first communication; a satisfactory proof that the Yamên are not altogether immoveable and insensible to the force of argument when they have taken up an untenable position.

I have, &c.
(Signed) RUTHERFORD ALCOCK.

Inclosure in No. 87.

The Prince of Kung to Sir R. Alcock.

(Translation.)

THE Prince of Kung, &c., makes a communication.

On the 17th of December the Prince received the despatch of his Excellency the British Minister replying to the six additional points which the Prince would propose to embody in the revised Treaty. He has carefully perused the despatch in question.

The six points raised have in view the suppression of contraband trade, the prevention of disturbances, and reciprocity of advantages; these will have to be considered at the approaching revision of the Treaty.

The Prince has opened the discussion of the points with his Excellency the British Minister: his reason for doing so is that as the British Treaty stands first for revision, so the points should, in the first instance, be discussed with the British Minister. As Treaty stipulations they would be directly advantageous or corrective of abuses; nor are they impracticable.

As the other matters already discussed have been submitted for the consideration of the British Government, the Prince has to request his Excellency the British Minister to submit these six points for the decision of his Government.

In fine, in view of the amicable relations existing between the two countries all matters should be subject for mutual and mature deliberation.

China now concedes many points to England, and in evidence of mutual good relations and justice England should in like manner concede to China these points, the only demands she makes of his Excellency the British Minister.

In that particular Article of the six which claims reciprocity the Prince has made some verbal alterations, and he now submits a fresh copy of the clauses for the consideration of his Excellency the British Minister.

The proposal to cancel the passes issued to merchants proceeding into the interior at the end of the year with a month's grace, referred to the transit passes under which merchants sell imports and purchase exports in the interior. The regulation was not specially directed at passports. But it will be even more complete if, as his Excellency suggests, passports are dealt with in like manner.

A necessary communication, &c.

(January 2, 1869.)

Amended 3rd Clause.

It is stipulated by Treaty that all Treaty Powers shall enjoy the same advantages, the object being to treat all alike, and to make no distinction whatever. But this arrangement is incomplete, taking one point of view only.

Henceforward, any advantage granted by China to a Treaty Power will be partaken of equally by England; so, a Chinese in England will have the commercial advantages there enjoyed by any other nationality.

Where it is desired to avail of the advantages of any arrangements made between China and any particular country, such arrangements must be accepted in their entirety.

No. 88.

Sir R. Alcock to Lord Stanley.—(Received March 22.)

My Lord, *Peking, January 12, 1869.*

IT has occurred to me, in thinking over the successive phases of my negotiations for the revision of the Treaty, and the positions I have taken up from time to time in discussing the several concessions proposed, and their relative importance, that any one engaged in a collation of the whole correspondence, might easily find a seeming contradiction in the opinions to which I have given expression. An appearance of undue prominence to one or other of the points discussed, is perhaps unavoidable in the course of long debates, where each has to be carried by giving the utmost value to every argument bearing upon it, without particular regard to what may be said of those which are out of the field of discussion, or to the law of proportions.

To meet this objection, if it should arise, it may be well, therefore, that I should myself refer to some of the leading points where it may appear that I am in contradiction

with myself, or have at different times submitted to your Lordship, as my deliberate opinion, statements difficult to reconcile with each other.

The principal of these will, I think, be found under the following heads :—

1. The introduction of railroads and telegraphs, and working of mines.
2. Inland navigation and residence.
3. The transit dues and leking taxes.

The importance of all these, as means of progress, both in commerce and civilization, is unquestioned. Their relative value or importance may admit of much variety of opinion, and very different estimates. In all these preliminary discussions and reports, I have had to keep in view not any question of relative importance in the abstract, but the difficulties and obstacles to be overcome; and, having regard to these and the actual condition of the country, and our interests in it, to determine the feasibility of the introduction of such improvements and great innovations. The degree of pressure to be applied in each case, or of persistence in advocating decisive steps, had of necessity to be determined mainly by the latter considerations, as a matter of policy for the attainment of practical ends.

It is thus easily explained why, although I wrote to your Lordship in 1867, that I had been long convinced, "in the event of a revision of Treaties, nothing was to be gained worth serious effort if the authority to work mines, and the introduction of railways, were to be refused," I have, nevertheless, since insisted, as the first and most essential condition of any free development of commerce, upon the exemption of foreign trade, import and export,—but of all foreign goods more especially,—from leking taxes, or the formal renunciation on the part of the Chinese Government and provisional authorities of all right to levy local or transit dues of any kind, other than those stipulated by Treaty, and payable ~~at the~~ port.

The reasons for this course have been abundantly shown in the Minutes of Instructions to the British Commissioner in the Mixed Commission, and the protracted correspondence in which the question was debated, already forwarded to your Lordship, and I need not therefore recur to them here.

Whoever reads the whole of those papers will, I doubt not, come to the same conclusion, that the emancipation of foreign trade from arbitrary and unlimited taxation by the provisional authorities *in transitu*, is the first and most essential condition of any free development or large extension.

Railroads, telegraphs, and the working of mines by foreign capital and skill, whatever their importance as *adjuvantiæ*, are not in the same degree essential to the extension of trade; and, looking to the resistance their adoption meets with in the minds of all the ruling class in China, these are all objects presenting primary difficulties which render them for the present unattainable.

As to inland residence and steam navigation, the same remark equally applies to any progress beyond what has been conceded.

These are the three great points of attack and defence round which the whole stress of battle has been from the beginning. But the first was the key of the position, and that gained, the rest must follow, sooner or later. It is, perhaps, true that to have carried effectively either of the others, would have led to the same result. There is this distinction, however, to be borne in mind: the first proved to be practicable, and the others not by any forces at my disposal, or which Her Majesty's Government were willing to employ.

I have, &c.
(Signed) RUTHERFORD ALCOCK.

No. 89.

Consul Medhurst to Lord Stanley.—(Received March 22.)

My Lord, *Shanghae, February 2, 1869.*

WITH refer ~~e~~ to my despatch of the 19th ultimo, I have the honour to forward, for the information of your Lordship, copy of my despatch of the 1st of February instant, with inclosures, to the address of his Excellency Sir Rutherford Alcock, K.C.B., on the subject of extending our commercial intercourse with China.

I have, &c.
(Signed) W. H. MEDHURST.

Inclosure 1 in No. 89.

Consul Medhurst to Sir R. Alcock.

Sir, *Shanghae, February* 1, 1869.

REFERRING to my despatch dated the 19th ultimo, I have now the honour to submit copies of three more communications on the subject of extending our commercial intercourse with China.

Taking the letters in the order of their dates, the first is addressed to me by Mr. Canny, an intelligent and enterprising merchant resident at Chin-kiang; the second by Mr. Cunningham, an American gentleman whose name I have already alluded to in my despatch as that of the Chairman of the Shanghae Steam Navigation Company; and the third is by the Chamber of Commerce of this port. In connection with the last, it may interest your Excellency to peruse the accompanying minutes of the meeting at which the letter was adopted.

Your, &c.
(Signed) W. H. MEDHURST.

Inclosure 2 in No. 89.

Mr. Canny to Consul Medhurst.

Sir, *Chin-kiang, January* 22, 1869.

IN reply to your Circular of the 28th December last, inclosing a despatch of his Excellency Sir Rutherford Alcock, K.C.B., Her Majesty's Minister at Peking, on the approaching revision of the Tien-tsin Treaty, I beg leave to submit the following views to you on the general questions of inland navigation and trade, and more especially on the subjects that immediately concern the interests of this part of China:—

1. *Opening of new Ports.*—With regard to the general principle of further opening-up the country to foreign trade, there can be no question in my opinion as to its advisability and urgent necessity. What is mainly wanted for the interests of foreign commerce in China is a more intimate intercouse with the people, and more immediate contact with the great centres of consumption and production in the interior. Up to the present we have been merely supplying the inhabitants of a few ports on the coast and on the Yang-tsze with our goods; while from the large towns and cities of the interior, and from the immense agricultural population of the country, the fabrics of Great Britain have been virtually shut out. The transit of foreign goods to any considerable distance inland is rendered quite impossible by the cordon of barriers which surround every Treaty port in the Empire. Official exactions make our manufactures too expensive for the mass of the people; and the consequence is, that our trade is now confined to a very limited radius round each of the open ports.

That this is no exaggerated view of the case will be evident when it is borne in mind that Egypt, with not a tenth of the population of China, consumes quite as large an amount of British produce and manufactures. Of course, I except opium from the list of imports into China in this estimate. British India, with a much smaller population, takes off nearly three times as much imports as this country; France, twice as much; and even Australia, with its limited number of inhabitants, stands now on a par with China in the quantity of British fabrics and produce which it consumes.

That there must be something radically wrong to produce this unnatural state of things will be apparent to the most cursory observer; and the question remains how we are to remedy the evil and meet it in the most practical manner.

The means which I would suggest are the same in effect as those which have already been urged on Her Majesty's Minister at Peking by numerous memorialists from the various Treaty ports in China; viz., the opening up of new markets at all the important centres of trade throughout the country, the navigation of the inland waters in small steamers, and the readjustment of the transit-duty question on a satisfactory basis.

2. *Consular and Subsidiary Ports.*—With regard to the opening of new ports, some places in the interior which are known to be large commercial marts, and which may for convenience be called ports of the first class, would necessarily require Consuls or Consular Agents to reside at them; whereas others which are of less importance and which may be appropriately called subsidiary ports, might be mere places of call for

steamers to land and ship cargo at, and for foreigners to reside under certain specified regulations snd conditions.

Right of residence at Subsidiary Ports.—This question of residence at subsidiary ports is, in my opinion, one of paramount importance to the interests of foreign trade. I would go so far even as to say that unless foreigners obtain this right or privilege, the opening of subsidiary ports will not only be barren of results, but quite useless from a commercial point of view. Of what use, for instance, would it be to importers to be able to land cargo at such places as Wu-hu or Ngan-king-foo when it might be taken *ad libitum* by the local officials directly it was discharged? That such would be the inevitable result if these ports were opened and foreigners not allowed to reside at them, cannot be doubted. With only natives to resist them there would be no check whatever on the illegal exactions of the Mandarins; and the prohibitive taxes of which we now complain would still be continued, and any anticipated extension of trade would prove utterly fallacious. If these subsidary ports are to be of any real practical use, the right of foreign residence at them must be conceded. Without this they would be valueless, and we had better not have them at all.

It may be necessary, perhaps, to impose certain conditions on foreigners who wish to settle at these subsidiary ports, and bonds or guarantees for good conduct might be advisable in the absence of effective Consular supervision. An arrangement of this sort would at once quiet any rational fears on the part of the Chinese authorities, and would secure the presence of none but respectable British subjects in the interior of the country. In fact, by some such system as this, residence might be allowed at any town or centre of trade in the Empire with perfect safety, and with, I believe, incalculable advantage to both native and foreign commerce.

Names of Ports, proposed to be opened.—With regard to the places which it is advisable to open as first class ports where Consuls or Vice-Consuls should reside, I beg leave to make the following suggestions. I regret to say, however, that I cannot speak with any authority regarding the cities on the River Han and Upper Yang-tsze. You will get very full information, no doubt, on this subject from the Shanghae and Hankow Chambers of Commerce. I would mention, however, as places of great importance from their trade and position, Chung-king-foo and Kwei-chow-foo in Szechuen; Yo-chow-foo at the head of the Tong-ting Lake; Yuen-yang and Liang-yang on the Upper Han; and either Ta-tung or Wu-hu on the middle Yang-tsze. Is would be highly desirable, in my opinion, that either Vice-Consuls or Consular Agents should reside at these ports. An Assistant-in-charge, however, would be sufficient for the requirements of Ta-tung.

Subsidiary Ports.—As subsidiary ports on the Yang-tsze at which steamers might land and ship cargo under bond, and foreign residence might be allowed on certain conditions, Wu-hu and Ngan-king would be very desirable points. Besides these, however, there are other large centres of trade in the vicinity of this port where British subjects should be allowed to settle on fulfilling the stipulations imposed on residents at the subsidiary ports. These are Chin Tseang-pu, at the junction of the Grand Canal and the old bed of the Yellow River, Chen-chow-foo, about 100 miles north-west of Ching-Tseang-pu, and Whei-chow-foo in southern An-whei.

3. *Inland Navigation in Sailing-Vessels.*—Touching the question of inland navigation in boats or vessels of foreign build not propelled by steam, I am afraid that this privilege will be of little or no practical advantage to commerce, and will leave the mercantile community in no better position than they are at present. According to the system now in force, China boats may be employed by foreigners for the transport of goods to any part of the interior; and it is generally admitted that native crafts are on the whole fairly adapted for inland and creek navigation. Foreign built sailing-boats would certainly be very little improvement on them; so little in fact, that I feel assured that the privilege would be of no material benefit to trade, and would be availed of but to a trifling extent by the mercantile community. What is chiefly wanted is a cheap and rapid means of transit for merchandize going to and from the large marts in the interior: and in the absence of railways, this want can only be supplied by steam communication. There would be considerable difficulty no doubt in inducing the Chinese authorities to throw open all their inland waters at first, but the present opportunity should not be lost to try and make some tentative arrangement at least. A few of the chief inland canals, such as the large creeks in the neighbourhood of Shanghae, the Grand Canal between here and Ching Tseang-pu to the north, and between here and Soochow to the south-east; the Huhu or Ta-tung River; and the Poyang and Tong-ting Lakes. All these might be opened by way of experiment, and with great advantage I am convinced to both native and foreign trade.

It should not be forgotten, moreover, that the most effective way to grapple with

the question of transit dues is by inland steam communication. The local officials would rather shrink from the responsibility of stopping or detaining a steamer without a reasonable pretext. Whereas, they have no hesitation whatever in impeding and levying exactions on sailing-boats. Once that inland steam navigation and residence in the interior are permitted, we may consider the transit due difficulty settled; in fact, the question will be no longer a difficulty.

4. *Transit Dues.*—The question of transit dues hardly enters into the scope of the present communication, but as it is one of the most important subjects connected with the revision of the Treaty a few words regarding it may not be altogether out of place. The system now in force, and which has been tested during the last ten years, is notoriously an utter failure. It is, therefore, imperative that such changes shall be made in the working of this Treaty stipulations as will insure its faithful fulfilment for the future. This is in my opinion the most vital question connected with the approaching revision, as on it must depend to a very great extent the further expansion or limitation of our trade.

The first of these changes which I would suggest is, that the whole revenue arising from these dues be handed over to the provincial authorities for the government of their various jurisdictions.

Second.—That the present amount of $2\frac{1}{2}$ per cent. *ad valorum* be raised to 4 or even 5 per cent. if necessary, thus bringing the whole amount levied as import and transit tariff on British merchandize to 10 per cent. *ad valorum.*

Third.—That some guarantee be obtained from the Government for the due fulfilment of whatever new stipulations may be agreed upon regarding this question.

Touching the first of those chances, it is very difficult to see how the local officials can govern the country, or maintain order in the provinces, if they are deprived of the revenues which should he naturally at their disposal. It is well-known that the Supreme Government pays nothing at present, either in the shape of money or material, towards the maintenance of order throughout the country. The Viceroys and Governors are appointed from Peking; they are expected to administer and rule the provinces, but they receive no assistance from the capital. Everything in the shape of finance, all the ways and means devolve upon them; they have to raise a revenue as best they can, and, if they fail, they are held responsible for the result. It is, therefore, our interest to see that these men are not deprived of such a valuable source of revenue as the withdrawal or diversion of the transit dues to Peking would entail. We want to strengthen the hands of the Government, and not to weaken them, and as these are the responsible men they are entitled to their share of the taxes accruing from foreign trade.

With regard to the second change, I would suggest that goods sent from any Treaty port to a market situated within the same province, be subject to not more than half the revised Tariff for foreign imports or exports. If, however, the goods were sent into a neighbouring province, it should be advisable to allow of an additional barrier charge, which should in no case exceed the previous transit duty.

Touching the question of guarantee, I am afraid that the Chinese officials will never honestly carry out any Treaty stipulations if they can possibly avoid doing so. I think it is, therefore, indispensable that we should have some guarantee for the future against illegal exactions. There should be a tangible fund established from which amounts proved to have been unlawfully levied on foreign merchandize could be promptly and readily recovered. This might be done at the end of every six or twelve months; and the guarantee fund should be under the direct control of Her Majesty's Minister at Peking, conjointly, if necessary, with some Chinese official of rank. An arrangement might be made even by which the revenue itself, arising from transit duties, might be held from half-year to half-year as a pledge or guarantee against illegal taxation.

I have, &c.
(Signed) J. M. CANNY.

Inclosure 3 in No. 89.

Mr. Cunningham to Consul Medhurst.

Sir, *Shanghae, January* 30, 1869.

UNDERSTANDING from you that you are willing to receive letters upon the subject of the revision of the Treaties from American residents at this port, as well as from your own

countrymen, I do myself the honour to respond to your invitation to the community made through the local papers.

I beg to premise that I am a member of the Committee of the General Chamber of Commerce, and have, therefore, taken part in the formation of the letter addressed to you by the Chairman of that Body.

What I have to say will not conflict upon any point, with the views there expressed, and it is quite probable that I shall fail to give any additional light upon the subject. But as you have expressed the desire for individual opinion, I make no further apology for giving mine, though it may prove to be a mere amplification of those offered by the Chamber..

His Excellency the British Minister does not ask our mind upon the general question of opening the country entirely, nor upon that of unrestricted use of steam-vessels upon the inland waters. But both are so intimately connected with the questions upon which he does ask for an opinion that it is impossible to give an intelligent answer without referring to them.

1. Like every other resident in China who has had experience of the difficulties attending trade under the present system, I believe the general opening of the country to be not only the readiest way of removing those difficulties, but the most practicable and the least injurious course for the authority of the Government. By an easily devised system of passports, by which each great point of trade would be made the centre of a certain district, taking in one or more provinces, or only part of a province, as the case may be, and which would require that no resident or traveller could live or pass in that district without a passport or visé from that centre, the very small number which would penetrate a country so unattractive to Western travellers, would be easily and completely controlled by a limited number of Consular Establishments.

It is needless to point out that with such a change in the position of foreigners the whole difficulty of illegal exactions and all hindrances to trade of like character would vanish, and a great source of disagreement between the foreign Representatives and the Government be thus removed.

Nor does any person who has lived long in the country believe that other and greater cause of trouble would arise. The legal disability removed and no ground left for the misrepresentations of the officials, and literally there would be no question that the Chinese would view the residence and the passage to and fro of foreigners with complete indifference.

When to these grounds for urging this great step is added the fact that we are already entitled to the privilege by the favoured-nation clause, it seems impossible that the question should not be pushed as far as foreign Governments can push it.

The Russians are fairly settled in the interior of China. They live as Russians in the tea districts, and are entirely and perfectly at home there, so much so that they offer to contract and make teas for other foreigners. I have had such an offer pressed upon me by a Russian firm whose tea hongs competed with those of the Chinese whom we employed.

It would seem to a bystander that with this most aggressive of neighbours at their very door, the moment the authorities were compelled (as they were) to admit these intruders, they would have invited other foreigners, and pressed for their coming, as a counterpoise to this new influence of their dangerous neighbour.

2. The navigation of internal waters is a kindred subject to the other, and one really vital to the Chinese themselves. Besides facilitating trade and correcting a hundred evils otherwise impossible of correction, it would kill piracy, now rampant all over the country, and would connect distant places, and bring them under central authority—a consummation absolutely necessary to the existence of the Imperial authority.

A great part of the laxity and disorder prevailing in the administration of affairs is owing to the difficulty and delay in transport of troops and material, and to the time required in visiting distant points for the purpose of surveillance—causes which, though always in existence, were not felt in the youth of the Dynasty when all parts of the machine were in full condition. As to control, the same system would apply as in the case of individual residents or travellers, and would apply, too, whether the country is generally opened or not.

It seems to be certain that, at least, more great points of trade will be opened, and each of these would serve as the central of a district, to all parts of which steamers, large or small, according to the waters, could penetrate, being under bonds to appear at the centre at stated intervals to renew their licenses, and always liable to a summons on any complaint of wrong doing.

I have been thus diffuse upon these two great points because I do not see any halting-

ground between the present system of a few great centres of trade, and the general opening of the country, except only this matter of internal navigation. That could be combined with the present system, and serve as a stepping-stone, if one is required, to the greater concession.

3. Proceeding to the questions of his Excellency the British Minister, they are stated shortly :—

Should any more ports be opened, and what ports, if any, and upon what principles should their Consular arrangements be based ?

I think there are undoubtedly a few important centres of trade to open in Central and Northern China if the present system is continued. There is difficulty and doubt in determining which, owing to the impossibility of obtaining accurate information, but points for selection, can be indicated by following certain principles.

I shall treat of this subject of selection as if there were no possibility of obtaining the greater grant, and I treat it upon the basis that there is no advantage in right of residence at minor points until the whole country is opened, and that there is nothing to be gained by opening a radius round any port or central point unless steam navigation is allowed.

It will be admitted that the principle upon which the opening of any new port to foreign commerce should be determined, is as to whether it gives additional facilities for the purchase or shipment of Chinese productions used by foreign nations, or gives readier access to Chinese consumers of foreign fabrics.

With regard to the opening of any port where the business is only in production for Chinese use, it is unquestionable that the trade would remain in Chinese hands, and such ports would only advantage a very small section of foreign interests, that is that concerned in the carrying trade.

Such ports should not be selected, therefore, where we are restricted to a choice, particularly as it is manifestly impolitic to press upon the Chinese the opening of ports where we cannot claim to have any interest in the business.

Unless the selection of ports to be opened is carefully and rigidly restricted by the single consideration given in the above paragraphs, it is plain that the number of places pressed upon the notice of the selectors would be beyond all bounds, for in such an extensive Empire, and especially if we include the interior, the points of contact with native trade, which could be named as desirable under one consideration or another, are so numerous as to preclude all possibility of adoption as a whole, and, if presented for selection, would, by the indefinite character of their various pretensions, only embarrass, instead of assisting, a choice.

Though the choice is thus narrowed by the strict application of the principle that, as long as foreign trade is to be confined to specific ports, only ports of shipment of tea and silk, and main points of distribution for foreign fabrics, should be chosen, great difficulty still exists in making this choice.

The only sources of information are Chinese, and in the absence of statistics, or of the habit of collecting data for purposes of generalizing, those sources only mislead, if used as a basis for a decision.

To refer to precedent, the fortunate selection of four coast ports after the first English war was made with the advantage of their being known to be of great importance—three as capitals of rich provinces, and one as the seaport of a great emporium.

But the conditions upon which the selection was founded proved not to exist at the time of the selection except in one—Shanghae. At the others there was no trade that at all equalled the expectations of foreigners, and years were required before they developed into the anticipated importance to foreign trade.

On the Yang-tsze, of the three ports chosen, Hankow and Chinkiang were so marked that the choice could not be amiss. There was only room for doubt in the third port, and that chosen has proved a failure.

It is therefore not without reason that the mercantile communities have been loth to be too specific in their recommendations. They know there is no reliance to be placed on Chinese information, and that even observation of the spot may lead to error. An inland town, for instance, may have a busy suburb on the water's edge, its streets be full of bustle and thronged with life, and yet be valueless to foreign trade, being simply a place of call for cargo laden boats, without trade of its own beyond the supply of wayfarers.

It is most apparent that, in designating proposed new ports, the main foundation of the selection must be common report of a very general character, and the position of the point indicated in relation to fertile and populous districts, more particularly those producing tea and silk.

There can be no pretension to any accuracy in the knowledge of the existing trade, and an ultimate decision should not be made until every place under consideration has been visited by a Commission.

4. The Chamber of Commerce, in designating new ports, has refrained altogether from recommending any which are merely subsidiary to the ports already opened, or which might be considered desirable as giving access to the tea and silk districts. The grounds for this reticence seem unanswerable.

The presence of foreigners in the centres of the silk or tea districts would only serve to enhance the cost of those staples. It is certain that the Chinese collectors are as expert in trading, and far more economical in their charges and expenditure when acting for themselves, than Europeans in this climate ever can be; and even were the latter at liberty to reside where they pleased, could ultimately keep this business in their own hands.

Could foreign goods be saved the illegal exactions of local officials by this device, there might be an argument on this score in its favour. But unless foreign-owned boats can pass to and fro carrying merchandize, this end would not be gained, and if that were allowed it seems the end would be gained without the residence, as far as concerns particular points. For the goods could be sent on foreign account to native agents. Even supposing this is questioned, the residence would go but little way towards correcting the evil. For at the barriers outside the town selected as a point of residence, the dues could and would be collected just as they now are, immediately outside of Shanghae.

To repeat, the only remedy for this last great evil is the general opening of the country; and it ought to be an additional argument to the Chinese in favour of the measure, that foreigners acknowledge that the management of the internal business of the country would remain as now in native hands. Safe and speedy transit, freedom from irregular and illegal exactions, and a better knowledge of the resources and wants of the country, are all the advantages that would accrue to foreigners.

5. As regards coast ports, I can only endorse the suggestions made in the letter of the Chamber of Commerce. Wanchu stands alone prominent for selection; the others may or may not prove of advantage, and are pretty certain to be of very minor importance.

On the lower Yang-tsze the towns named by the Chamber are undoubtedly distributing or collecting points. To them I would add Hukan at the mouth of the Poyang Lake as a substitute for Kiu-kiang, in case the privilege of internal steam navigation cannot be gained.

The Poyang Lake has interested foreigners from the first opening of the Yang-tsze. Its importance has probably been greatly overrated, and its character and condition misunderstood.

From the surveys made and the various explorations, as well as from the Chinese accounts, instead of a great inland sea, it seems to be a mere swamp into which several small rivers flow, their waters uniting through devious channels and passing into the Yang-tsze at Hukan. The towns and walled cities at the points where these various small rivers enter the swamp are only places of call for the boats from distant productive districts, and are neither centres of wealth, of distribution, nor collection. The famous potteries which helped to give the lake its fictitious reputation are nearly in ruins, and in their best estate were probably not of sufficient importance to influence seriously foreign trade. To reach farther back and pitch upon the centres of the tea districts would serve no purpose but to increase the cost of tea to the foreign consumer as already suggested with regard to both tea and silk. In short, the only place connected with the Poyang Lake which seems to offer any advantage is Hukan at its opening.

If the tea-boats could meet the Yang-tsze steamers then, instead of being compelled to pass seventeen boisterous miles of river to the stormy port of Kiu-kiang, the change would be of very practical advantage.

For though seventeen miles seem of small importance in a journey of over 150 or 200, they happen to be particularly difficult in the tea season, owing to the prevalence of strong head winds, creating in the long and wide reaches of the river a sea that swamps the native boats, constructed principally for creek navigation. Whole fleets of tea laden boats are thus detained at and about Hukan for weeks in the heat of the season.

If steam navigation is allowed, however, the substitution of Hukan for Kiu-kiang becomes unimportant. Small steamers would then tow the fleets of boats from the various collecting points directly to Kiu-kiang, and that town would become the Consular centre for that district.

6. Passing up above Hankow, there are central points named by the Chamber both upon the Han and the Yang-tsze desirable to open, but which must be chosen even with a Commission sent to examine them, with the chance of failure as successful selections.

Chung-king in Szechuen, and Siantam to the south of the Tung-ting Lake are, however, centres of such importance that there is no room for error in their selection.

Such places serve as points of departure to great and fertile districts, and there can be no doubt that from them foreign goods would reach interior points where they are now unknown. The tendency at all such ports is for trade, even in foreign goods, to pass into Chinese hands; and whether opened as exceptional points under the present system or established as centres for districts under a general opening, the foreign residents would certainly be very limited in number.

The advantage, however, would not be the less great, though perhaps less apparent, if not a single foreign vendor or purchaser of merchandize resided in them.

The goods bought by Chinese in Shanghae and conveyed to their destined river port in foreign steamers, would reach it at the lowest posible cost of charges or commissions, and with no official dues but those allowed by the Treaties. The direct advantage to foreign trade is as palpable as if foreigners manipulated the goods up to their departure from the city precincts in far Szechuen, and all the greater that the goods would reach the consumers unburthened by the extra cost of supporting expensive foreign agencies.

Szechuen especially is so rich a province in natural productions, its inhabitants so industrious and ingenious, that we may fairly count on a remarkable and perhaps unprecedented increase in the sale of foreign fabrics, if they can be placed cheaply at their very door; and probably at this moment there is no other point in the Empire so important to reach for foreigners as its chief commercial centre.

Begging that you will excuse the length of my letter, I am, &c.

(Signed) EDWARD CUNNINGHAM.

Inclosure 4 in No. 89.

The Chairman of the Shanghae General Chamber of Commerce to Consul Medhurst.

Sir, *Shanghae, February* 1, 1869.

I HAVE the honour to acknowledge your communication of the 30th ultimo, covering despatch from his Excellency, Sir Rutherford Alcock to Her Majesty's Consul at Amoy, Mr. W. H. Pedder, in which his Excellency asks for an expression of opinion from this Chamber upon certain very important points likely to be raised in the revision of the Treaty of Tien-tsin.

I have, on the part of the Chamber, to reply, and in doing so, to remark that it is gratifying to find that the difficulties in the way of opening up this vast country are at last being fairly grappled with, and to assure his Excellency, Sir Rutherford Alcock, through you, that if in any possible way, by practical suggestions, this Chamber can assist in the solution of the difficult problems at issue, it will readily do so, not in a spirit of seeking unlimited concession from the Chinese, but in the practical way which the opinion of its Members indicates as fair to the foreigner and the native.

His Excellency requests further information on the question of subsidiary ports, more especially alluding to the Amoy Memorial on the subject, and gives his views as to subsidiary ports on the Yang-tsze, and further states that the Chinese have it in contemplation to open the inland waters within the limits of any Customs district to foreign-owned vessels not propelled by steam.

Opinion that Ports should be opened.

This Chamber desires to express its decided opinion that the ports named by his Excellency on the coasts and rivers should be opened to foreign trade, on the principle that commercial intercourse between foreigners and Chinese should be facilitated and encouraged by all available means. But if it be deemed necessary, as his Excellency intimates, that a Consular and Customs establishment be placed at every port so opened, then it rests with the foreign Governments, having a due regard to the expense to be incurred by such establishments, to select such ports as promise an adequate return in the way of increased trade, and the consequent benefit to the populations of the various countries interested. The Chamber conceives it to be its province to indicate the relative merits of these ports, and furnish the Minister with information which may assist him in forming a judgment.

Selection.

Wen-chow. Of the ports named by his Excellency, there can be no question about Wen-chow having the first claim to attention. Situated on a navigable river, having a depth of water of 17 feet within three miles of the town, and 12 feet at low water at the town, and an entrance easily navigable by steamers, this port is most advantageously situated to become a centre of foreign trade. The existing trade of the place is known to be large, and an active business in alum and other articles was carried on by foreigners some years ago, which was only stopped by the Customs regulations.

Its proximity to several important tea districts would render Wen-chow the most convenient shipping port for a large quantity of tea which now finds its way by indirect and lengthened lines of transit to Foo-chow and Ning-po. Native cottons are imported largely into Wen-chow, and the traffic in various other native products is very extensive; and a considerable trade in foreign imported goods would doubtless spring up if the port were opened to foreign vessels. And the trade in fruit, which only awaits the aid of rapid communication by steam to become at certain seasons an important item in the business of the place, ought not to be overlooked—considering the new sources of wealth it would open up for the cultivators, and the benefits it would confer on the population of Keang-soo.

Tai-chow. The port of Tai-chow is in the opinion of this Chamber of less importance, and as it is distant from Wen-chow only sixty miles, it is improbable that both places could flourish as ports of entry, and therefore, if selections are to be made, the Chamber would urge the claims of Wen-chow in preference to Tai-chow.

Ta-ku-shan. Ta-ku-shan, the Chamber is informed, is a convenient channel for the trade of Corea and part of Manchuria, and if open to foreign vessels would facilitate the transport to various inland markets of merchandize, which at present has to follow circuitous routes, viâ Newchwang. It possesses, moreover, an independent trade of its own in pulse and other products, second only to that of Newchwang, and both cotton and woollen fabrics of foreign manufacture are imported, as well as nankeen cloths, opium, and metals. From the geographical position of this port, however, his Excellency has probably more reliable materials for arriving at a conclusion in regard to it than any with which the Chamber can furnish him.

Southern Ports. The other places named by his Excellency, viz., Kipchi, Shintung, and Pak-hoi may be considered beyond the sphere of this Chamber's knowledge or interest, and are therefore left to be reported on by the residents of the southern ports of China.

Kiang-chow. Wei-hwei Harbour. It has likewise been suggested that a port on the south of the Shan-tung Promontory would be a useful addition. The harbour of Wei-hwei is reported to be a better one than that of Che-foo, and would be a great advantage as a port of refuge, besides being conveniently situated as regards various lines of commerce into the interior of Shan-tung province.

River Ports. But while the Chamber is thus sparing in recommending the opening of new ports on the sea-board, it cannot feel the same hesitation in urging the very extensive additions to the foreign trading stations on the river Yang-tsze, and the inner waters generally. The economical or prudential considerations which are assumed to have great weight as regards the coast ports, do not apply in anything like the same degree to inland places, because efficient supervision by Customs and Consular Establishments is there attainable at a minimum of cost. The foreign vessel that enters the inner waters becomes a hostage, so to speak, for her proper observance of Government regulations; and the facility of locomotion on rivers or canals, would place extensive districts completely under the control of a very small staff of Government officers.

Subsidiary Ports. The Chamber, therefore, learns with great satisfaction that it is in contemplation to establish certain subsidiary ports on the Yang-tsze as landing-places for cargo and passengers.

Ngan-king. The city of Ngan-king, though not known to be a centre of great trade, is the only town on the left bank of the river between Kiu-kiang and Chin-kiang, and being moreover the capital of a province, it will doubtless be a convenience to the Imperial Government to make it a place of call for steamers.

Wu-hu. Wu-hu, an outlet for the Tae-ping tea districts, and connected by good water communication with a large and important tract of country, needs nothing more to recommend it as one of the proposed experimental ports on the river.

Ta-tung. Ta-tung is known to be a feeder for a large extent of country on the south bank of the river, and it also enjoys the peculiar advantage of commanding a navigable river or canal on the north bank. It is thus well situated for a landing-place, whence foreign goods would be forwarded into the interior. There are also some silk districts in the neighbourhood.

Kiang-yin. The Chamber would propose in addition that some port be opened on the Yang-tsze between Shanghae and Chin-kiang, to facilitate trade with that populous region lying

between that part of the river and the sea. Kiang-yin would appear to recommend itself from its position at the junction of several water-courses.

Yo-chow.

The proposed opening of Yo-chow (on the Tung-ting Lake) also calls for the unqualified approval of the Chamber, as if it possessed no other merit, it is at least a step in advance of our present outposts, and one stage nearer to the only ultimate solution of all these questions, the opening of the whole country. A depôt 130 miles higher up the Yang-tsze than the highest point open at present is an object of no slight importance. It is 130 miles nearer to the great emporia of Szechuen, the producing districts of Hunan, and the consuming marts of Siang-tan, Chang-sha, and others lying to the south of the Tung-ting Lake. But it should be kept in view that Yo-chow has no pretensions to be itself a centre of trade.

Inland Navigation.

Intimately connected with the extension of ports of entry on the Great River is that of the right of navigation of the inner waters generally. After the discussion on this subject that took place in 1866 between this Chamber and Sir R. Alcock, it is unnecessary to say that the Chamber and the whole community of Shanghae and other places look forward to the full permission of the Chinese Government being granted to foreigners to travel freely "for their pleasure or for purposes of trade to all parts of the interior," as a right which has been withheld from temporary causes; but the Chamber is deeply disappointed to find that this freedom of locomotion is only proposed to be granted under certain almost prohibitory restrictions. The limitation of the privilege to boats "not propelled by steam" the Chamber conceives to be fatal to the development of trade, which is the primary object of the revision of the Treaty. In an age when the only question ought to be between steamers and railways, it seems almost humiliating that foreigners, accustomed to the speed and luxury of travelling in other countries, should still in China be suing for permission to transport their goods by the time-consuming process of boats worked by manual power. The Chamber is at a loss to conceive why the Chinese Government, having the demonstration before its eyes of the advantage of steam communication on the coast and the River Yang-tsze, should still wish to deny to trading population the facilities which every other commercial nation enjoys. It is too evident to require argument, that every other concession bearing on the privilege of travelling, residence, and trade in the interior of China will be almost neutralized if foreigners are debarred from employing steamboats as their means of conveyance. And it seems also to the Chamber to admit of no doubt that by the introduction of steamers the Chinese Government would possess greater security against infractions of its regulations, breaches of the peace, and all those evils which are presumably objects of apprehension than it would if steam were forbidden. The owner of a costly steamboat would be far less likely to expose himself to the risk of delay or of penalties of any kind which would follow the neglect of established rules than the petty adventurer whose capital was invested in a common sailing-boat. Steamers on the coast have done much to decrease piracy, and steamers on the Yang-tsze have almost annihilated it. If the Chinese Government were not aware of these things, there might be hope of its views being modified by reasons and facts. But the prohibition of the use of modern scientific appliances to the machinery of transport and locomotion in China, is but too suspicious a symptom of the old exclusive policy of this Government. The Chamber is convinced that this is one of the most important points to be overcome in the revised Treaty; that the removal of the proposed restriction will be productive of incalculable advantage to foreigners, and great prosperity to the native traders and people generally; and that his Excellency should use his most strenuous endeavours, while such favorable opportunity offers, to secure for his countrymen the right of using steam both in travelling and in the transport of merchandize.

Prohibition of steam.

If the Chamber limited itself to a mere reply to his Excellency's communication, it might stop here; but on such an important occasion as the present, when the conditions of foreign trade and general relations with China are on the eve of being fixed for ten years to come, the Chamber craves permission to express its convictions on points not noticed in his Excellency's despatch, but which materially affect the interests of all foreign nations.

Whole country to be opened.

The Chamber desires once more to place on record its opinion that the chief places of trade in China, and the mineral resources of the country, should be thrown open to the capital and mechanical skill of Europe and America; and while in the present communication the Chamber has accommodated itself to the terms of Sir Rutherford Alcock's despatch, in particularizing certain ports and places, this is not to be held as a surrender of its claim for complete freedom of commercial intercourse with every part of China. The Chamber is persuaded that a comprehensive measure framed for that end, and guarded by precautionary regulations, would neither entail damage nor inconvenience to the Chinese authorities, nor would it be productive of undue expense to foreign Govern-

ments; but, on the contrary, would be the surest guarantee against lawlessness, the best antidote to insurrection, and a boon to very large numbers of the Chinese population. A comparison between the appearance of the River Yang-tsze, and the condition of the cities on its banks, as they were seen eight years ago, before the admission of foreign steamers, with the present aspect of affairs, is as conclusive evidence as can well be, that the opening of the country to foreigners is an unmixed benefit to the Chinese.

ze-chuen.

hun-king.

The Chamber, therefore, makes no further apology for taking up the list of inland marts where Sir Rutherford Alcock leaves off; and they would first point attention to the vast productive and commercial region of Szechuen, from which foreign trade is almost entirely cut off. In the order of importance among the trading towns on the banks of the Upper Yang-tsze, Chun-king stands pre-eminent as an enormous distributing centre. Situated in the heart of a rich country, at a distance of 720 miles from our present most inland station, Hankow, and commanding the commercial channels from Kwei-chow, Yunnan, and Kansuh, it circulates in every direction foreign goods of various kinds, silver, gold, copper, tin, lead, coal, wax, silk, and hemp, and is a purely commercial town, containing half a million of people. The opening of such a mart as that to foreign trade would, in the opinion of the Chamber, create a demand for English manufactures which would amply repay any trouble, risk, or expense entailed on the Government in making it a port of trade.

athang.

The Chamber would also suggest a connection with the opening of Chung-king and Sze-chuen that the frontier town of Bathang would be eminently desirable as a station or town that should be free to foreigners to reside in, having in view its ultimately being on the highway to India, from which it is distant only ten days' journey, and further considering the importance Her Majesty's Government have lately attached to the opening of a route to Central Asia in that direction.

Van (hien)
wei-chow.
-chang.
sha-sz.

Following the downward course of the Great River, and passing over the minor commercial stations of Wan (hien), Kwei-chow, and several others, about which little definite information is to be obtained, the next important place is I-chang, 360 miles from Hankow. The present commercial importance of I-chang is inconsiderable, the trading centre being Sha-sze 76 miles lower down the river; yet, as the highest point on the Great River to which the large steamers now running on the river could reach, it should be opened provisionally to foreign trade, that is until some more convenient station be found. All authorities seem to agree as to the navigability of the river up to I-chang; and all equally agree on the impossibility of any steamer, unless built specially for the work, ascending the rapids between I-chang and Chun-king; but the practicability of overcoming these obstacles by mechanical contrivances must necessarily be left for future investigation.

an.
River Seng.

Siang-tan.

Leaving the Yang-tsze, there is another very important water route which the Chamber would point out leading through the rich Province of Hunan and to districts productive of tea, coal, iron, timber, corn, and oil. The Seng River, running through the Tung-ting Lake, is said to be navigable by steamers for 300 miles from Yoh-chow. The town of Siang-tan on this river is well known as a vast emporium of trade, and a distributing centre for foreign manufactured goods. This town is one which the Chamber would urge should be selected as a depôt for foreign trade, probationally, for the Chamber is informed that the irregular barrier levies which are so prohibitory to foreign trade in other districts do not prevail there, and therefore the advantages to be derived from the opening of the port would be almost confined to the substitution of steam conveyance for that of native boats.

River Han.
Fan-ching.
Seang-yang.
Laou Ho-kow.

The next important line of water communication is the River Han, which forms the main channel of a large portion of Honan, Shensi, and Hupeh. The emporia of Fan-ching, adjoining the city of Seang-yang, nearly 400 miles above Han-kow, and Laou-ho-kow, 50 miles higher up, are described by travellers as very extensive, and the boat traffic generally on the Han is very great. It is a remarkable fact that few foreign goods find their way from Hankow up the River Han; but the Chamber is not in a position to furnish an explanation of this circumstance. With regard to the commercial capacities of this route, as well as the Upper Yang-tsze and the River Seng, the Chamber feels that more accurate information is needed, before any final decision is taken. For this purpose it would seem that a commission to examine and report on these subjects would render a very valuable service.

ommission to
examine.

The navigation by small steamers of the channels of the Poyang Lake has been so fully treated of in the Memorial addressed to his Excellency by the merchants at Kiu-kiang, dated 2nd July, 1867, that this Chamber has only to add its own opinion to that of the community of Kiu-kiang in favour of the opening of the routes to Woochin, Shuy Hung, and other places where steam can be effectively introduced. The port of Kiu-

kiang would be a convenient point from which supervision over the movements of foreign vessels in the Poyang Lake could be maintained.

Which of the ports and places thus enumerated would be classed among the new ports of entry or registry, and which would be considered as subsidiary to some larger centre, would be decided according to the exigencies of each case. The Chamber is of opinion that Consular and Customs establishments would only be required at a few of the principal places on the river; that the inner waters, more strictly so called, might be traversed by foreign steamers taking their departure from a Consular port, where they might be called on to lodge heavy securities for their due observance of such regulations as it might be found necessary to establish; and they might be required to repair to their port of registry at stated intervals. As at the outset the new ports would be inconsiderable in importance, it would not be necessary to erect permanent establishments, until experience showed where they would be wanted. The experience of former occasions would prevent both Governments and individual merchants from sinking money in establishments until the expenditure was warranted by the growing trade of the particular port. Regulations.

The general question of "inland navigation" by small steamers was fully discussed in the Memorial which this Chamber addressed to his Excellency in October 1867, and of which an extract is appended.

The Chamber would only now add that the routes and districts within which it would be desirable to grant the permission should be determined from time to time according to information acquired. At present the Grand Canal between Hang-chow and Chinkiang, and the whole water system of which it is a port should be opened to steamers of proper construction, and under proper restrictions. The Grand Canal also to the north of Chinkiang as far at least as Tsin-kiang-pu should be including in the concession now.

The right of residence in the interior has at various times been argued, and on this subject also an extract from the Memorial of October 1867 is appended. The Chamber is more than ever convinced of the wisdom of this demand, and feels that it cannot impress too strongly on his Excellency the necessity of urging this point on the Peking Government. Russian merchants live in the interior on friendly terms with the Chinese, and under the protection of their own Government; and if on no better plea than that of the favoured-nation clause, the privilege accorded to Russian subjects may surely be demanded on behalf of other nationals. There would be no chance of large settlements being founded in any inland town; foreign merchants cannot compete with natives of China on their own ground, and therefore large foreign communities could not be supported in the interior. There is nothing therefore for the Chinese Government to fear. Residence in th Interior.

Since the suppression of the rebellion, the Chinese authorities cannot but have seen the mistake in their ideas as to the conduct of foreigners resident in this country, and the representatives of foreigners, also, must be aware that the old supposition of foreigners contemning native authority, and of "rowdies" wandering over the country, are purely imaginary. Foreigners are as a fact trading in the most peaceful way, and even under exasperating circumstances subjecting themselves to law and order in a remarkable manner.

It would be well that this example of the past few years should be thoroughly impressed on the Chinese. The desire of trade is alone sufficient to make all foreigners in every rank of life respect the customs of the Chinese, and the authority of their rulers wherever they come in contact; and it may be laid down as an axiom, that the same desire would make it a more prevailing necessity were the country freely opened.

The question of the general development of the vast mineral resources of the Empire may be deemed too comprehensive to be discussed in the present communication; but as cheap fuel is an essential element in the success of steam-boat enterprise, which it is the desire of the Chamber to promote, the free opening of the various coal mines to foreign competition seems to be a legitimate object for the Chamber's solitation. It is true that in many parts of China coal and other mines are already worked; but it is under the enormous disadvantages of want of skill, of cheap transport, and of the mechanical appliances which can only be provided by foreigners, and by which means alone native coal can be made to compete with the product of other countries, which has to be carried 16,000 miles to the China markets. The Chamber need not dilate on the stimulus to native industry, and the material benefits which the Chinese people would derive from the free permission to foreigners to hold land, and do all that is necessary to utilize the vast wealth which is latent in the coal-fields. In pointing out the heavy burden which expensive fuel at present lays on steam-boat enterprise, the Chamber have furnished all the argument that is necessary to support its requests that foreign capital and skill should be permitted to be employed in the coal fields in China. Coal Mines.

Transit Dues.

But perhaps the most important question of all in connection with the revision of the Treaties, is that of "Transit dues," and while referring to the remarks of the Chamber in the Memorial of 1867 on the subject, it may be well to reiterate that the principle on which this should be decided is, that the 2½ per cent., or whatever charge may be agreed upon, to be charged in the shape of transit dues, shall not be paid into the Imperial Treasury, but shall be handed over to, or collected by the provincial authorities at the place of shipment or discharge. These latter are held responsible for the due administration of their Governments, and must raise a revenue. And in cases where goods pass through more than one province, a method of dividing the amount of duty between the different authorities represented might be devised.

In the few districts where transit-passes are admitted to cover foreign-owned goods, the foreigner has to accompany them by himself or by his agents, and furnish evidence of ownership. This is attended with inconvenience, and it would be more in accordance with the spirit and intention of the Treaty to consider all goods of foreign import, by whomsoever owned, as covered by the transit-pass. This privilege is especially stipulated for in Article X of the Treaty of Nanking, which was confirmed by that of Tien-tsin; and though the Chamber is not sanguine enough to hope that the right thereby acquired can be easily put in practice, the broad assertion of the principle would be of use in providing against disputes.

Conclusion.

In conclusion, the Chamber would beg his Excellency to explain clearly to the Chinese Government the objects the communities have in view in seeking free access to the interior. It seems that the Government labours under considerable misapprehension on this point. It is surely unnecessary to repeat that a body of foreign merchants are not likely to be animated by feelings of hostility or aggression towards the people or Government of China. On the contrary, their great desire is to see the Government strengthened to maintain order, and the people enriched that they may become good customers. That, in plain terms, is the mercantile view of the question. Foreigners are convinced that the difficulty of transport, and the irregular or excessive inland taxation on merchandize prevent foreign goods from penetrating far into the interior, depriving the Chinese people of the opportunity of purchasing articles of use at a cheap rate, and excluding foreign manufacturers from a vast and legitimate field of enterprise. Thus both people suffer by the existing restrictions, and both would therefore gain by the remedial manners which this Chamber has now once more taken upon itself to advocate.

I have, &c.

(Signed) F. PORTER.

Extracts from Memorial of 1867.

land Navigation.

"Closely allied to the privilege of residence in the interior in its bearing upon the progress of trade, and the protection of traffic from arbitrary imposts, is the right to convey specie and merchandize in steam cargo-boats up and down the navigable creeks connecting the country districts with the shipping port: on which subject the Chamber of Commerce addressed your Excellency at length on the 25th July, 1866.

"It is desirable to point out that two very distinct questions appear to have been confounded with regard to this matter. That of navigating the whole of the rivers in China with vessels bearing foreign flags has become mixed up with the minor one of a merchant being permitted to send into the interior small steam cargo-boats for the purpose of transmitting his treasure and goods, or bringing down such produce as he may have purchased. The former question, viz., the right to navigate all the rivers and waters of China in large steamers, is one which your memorialists are not prepared to open; but the latter, which applies only to the employment of small steam cargo-boats, is of considerable importance.

"The acquisition of the right has been advocated for the reasons that it is in accordance with the spirit of the Treaty, that it will substitute for an antiquated system of carriage,—at once expensive and hazardous,—a speedy, cheap, and safe mode of lighterage, and will afford a safeguard against illegal levies upon merchandize *in transitu*. The Chinese have opposed the innovation, on the grounds that classes of the population would be thrown out of employment, and that control over the foreign crews would be impracticable.

"Your Memorialists need not expose the fallacy of the economical grounds on which opposition to the proposal is offered by the Chinese Government, or enter at length upon a consideration of the manifest benefits which would accrue no less to the interests of trade than to the amelioration of the condition of the Chinese people, from free commu-

nication between the coast and the interior; but with regard to the exercise of control over the proceedings of the boats and their crews, your Memorialists consider that all that would be necessary to secure the Chinese Government from evasion of their fiscal regulations, and the native population against lawless outrages, would be to apply to foreign craft the same system which is already in force with regard to native boats, viz., that the steamers should be registered at the Custom-house of the Treaty ports to which their owners may belong, and bonds taken from responsible sureties that the vessels shall be confined to legitimate traffic, and their crews be held promptly amenable to the jurisdiction of the Consular authorities. It may also be deemed desirable to make stipulations as to the capacity and build of the steamers which it will be lawful to employ."

Residence in the Interior.

"With respect to residence in the interior, your Memorialists would observe that it seems almost beyond a question that, unless this privilege be accorded, the force and bearing of the Treaty applicable to the freedom of trade from the arbitrary restrictions placed upon it, will be wholly lost. So long as we are confined to the Treaty ports, it is within the power of the Chinese officials to tax our trade to any extent they please; and experience has fully demonstrated that they will not hesitate to make use of this power.

"The right of renting land and houses in the interior, would pave the way to the introduction of railways and the development of the mineral resources of China; and your Memorialists need scarcely refer to the important advantages to be derived by all interested in steam navigation, from the efficient working of the coal-fields of China. The recent discovery of coal mines near Chin-kiang, in a particularly favourable position, gives a practical bearing to the question.

"Should Her Majesty's Government not be of opinion that the Treaty will admit of residence in the interior, it is the earnest hope of your Memorialists that they may consider it advisable to negotiate for this privilege; or at all events for the right of residence within a fixed radius of, perhaps, 200 miles from some or all of the Treaty ports.

"Your Memorialists suggest that licenses from the Consuls at the various Treaty ports should be issued, and regulations framed, under which the foreigner in the interior would be liable not only for the payment of all personal taxation to which he, in common with his Chinese neighbours, may lawfully be subject, but also for his appearance at the licensing port on the summons of his Consul, to answer any charge which may be preferred against him.

"Your Memorialists are not of opinion that the privilege would be at first numerously availed of, the necessary agents skilled in the language not being at hand; but they are impressed with the conviction that the residence of qualified foreign agents at the principal internal marts is the only means of deriving accurate information regarding the sources of supply and the wants of consumption, without which no trade can be conducted on a sound basis.

"Your Memorialists consider the presence of these agents in the interior, and the fixed commutation of local taxation known as the transit dues, to be the proper safeguards against the exhaustive and illegal levies, which are sapping the foundations of profitable traffic, and promising to render nugatory all the advantages offered by the Treaty."

Transit Dues.

"In respect to transit dues your Memorialists are strongly in favour of the system which provides for a commutation of inland dues upon imports and exports; and, upon careful consideration, are of opinion that a great advantage would be gained by making the transit duty of $2\frac{1}{2}$ per cent., as leviable by Treaty, payable at the market in which export produce is bought or imports sold, in place of paying it, as at present, into the foreign Customs. It is naturally a source of vexation to the local authorities that dues which, according to custom, formerly came into their own coffers, should be now paid to the Provincial Exchequer subject to Imperial control; and it is also to be remembered that, to a certain extent, this is an injustice to those officials who look to taxes upon the produce bought or goods sold in their districts as the means of raising their revenue. Under such circumstances a strong prejudice is naturally felt by them against foreign trade; and they are under temptation to impose taxes on produce bought by foreigners; while, in consequence of no other duty being levied on it in the district, they are able to do so without fear of popular discontent.

Chamber suggests they should be paid

"If, however, the transit dues were paid, as they should be, to the local officials at the place where the transactions occur, the mandarins would welcome the foreigner and be

at places where goods are bought or sold.

inclined to foster his trade, seeing that it would contribute handsomely to their local revenue. All that would be necessary for carrying out this arrangement in the case of exports would be that the foreign merchant should be required to lodge at the Custom-house of the port of export a receipt from the Chinese official in the district where the goods had been bought for the amount of transit dues payable by Treaty. In the case of imports a receipt could be handed to the agent in charge of the goods by the revenue authorities at the place where the cargo may be sold, and should be returned to the Customs office within a reasonable period."

Chinese Names of Town and Places mentioned in accompanying Letter.

Wen-chow.	Wan (hien).
Tai-chow.	Kwei-chow.
Ta-ku-san.	I-chang.
Ngan-king.	Sha-sze.
Wu-hu.	Siang-tan.
Ta-tung.	Fan-ching.
Kiang-yin.	Seang-yang.
Yo-chow.	Laou-ho-kow.
Siang-tan.	Woo-ching.
Chang-sha.	Shuy-hung.
Tung-ting Lake.	Tsin-kiang-pu.
Chun-king.	

Inclosure 5 in No. 89.

Minutes of Meeting of the Shanghae Chamber of Commerce, held January 29, 1869.

A MEETING was held on the 29th instant, to continue discussion on the reply to Sir Rutherford Alcock's despatch regarding the opening of new ports.

Present: Messrs. Porter, in the Chair, Cunningham, Groom, Michie, Hogg, Iveson, Bell, Probst, Johnson, Little, Reid, Carter, Krauss, Forbes, Elias, &c.

The Chairman called attention to the object of the meeting, and mentioned that a reply to Sir Rutherford's letter had been roughly drafted, and placed in the hands of the members. Time had not allowed them to perfect it. Already, indeed, several alterations had been suggested. He would ask Mr. Michie, who had been mainly instrumental in drawing up the new draft, to first suggest the alterations which he proposed.

Mr. Michie suggested an alteration in regard to the wording of the paragraph about opening the interior. He did so because he thought the more moderate demands were made, the more likely it would be they would be acceded to. The advisability of opening a port to the south of the Shan-tung promontory had also been omitted, and should be inserted—either Wei-wei or Chan-chow.

Mr. Groom thought a paragraph should be inserted with reference to the opening of coal mines, especially those near Chin-kiang and on the river. No allusion had been made to this point in the letter in question, and it had been only slightly glanced at in the Chamber's Memorial. But he thought it was a matter that could not be too strongly urged. Foreigners had a right to ask that facilities should be given for raising coal by steam, or other means, to enable them to supply their steamers as cheaply as possible. We have coal, proved to be good, quite close to us at present, and are yet obliged to draw our supplies from Formosa and England. It seemed quite within the province of the Chamber to make this suggestion.

The Chairman thought Mr. Groom's suggestion one of great importance, and that there would be no difficulty in including it in the letter. It had been referred to in the Chamber's Memorial, though only very slightly.

Mr. F. B. Johnson proposed—

"That the letter drafted by the Committee be adopted, and that the thanks of the Chamber be given to the Committee for the trouble they had taken in compiling an expression of its views."

Mr. Carter suggested the omission of a paragraph, urging that the owner of a costly steam-boat would be less likely to expose himself to the risk of delay that would follow the neglect of established rules than the petty adventurer whose capital was invested in a

common sailing-boat. This would lay the Chamber open to an unpleasant reply, as within the last years three steamers had been confiscated for breach of regulations, and within the last six months one of the largest communities in China had been threatened with confiscation.

The Chairman said the paragraph in question seemed to him rather a strong argument in favour of steamers going up the river, but others might think differently; and he would take the opinion of the meeting.

Mr. Michie remarked that, in order to complete his argument, Mr. Carter should point out how well or how badly sailing-boats behave.

No one supporting Mr. Carter's amendment, it dropped.

Mr. Little called attention to a paragraph which spoke of Wuhu as the outlet for Fy-chow teas. He thought the proper outlet was Hang-chow; and the fact that this outlet was closed was an instance of the operation of transit dues, that might be fairly brought to the notice of the Minister.

Mr. Johnson thought the reference should be to Taeping teas instead of Fy-chows.

The Chairman then called attention to a paragraph suggesting that the whole or part of transit due payments should be held by Foreign Consuls as a guarantee fund out of which to satisfy just claims against the Government. There seemed to be some doubt as to the desirability of including this paragraph. Perhaps it would be better to elicit an expression of opinion on the subject. Should it be altered, taken out, or allowed to remain?

Mr. Hogg objected to the paragraph because he thought it would be unfortunate just now to introduce a new principle into the discussion. The suggestion, moreover, would clash with what had been said in the Memorial about collecting transit dues in the interior, instead of at the ports.

Mr. Johnson believed Sir Rutherford Alcock had suggested a system of guarantees as the only way in which the barrier difficulty would be escaped. The present letter clearly suggested that the transit dues should be handed over to the provincial Government from whose districts the produce came. It would be difficult for the Chamber to lay down a distinct plan, because it was always easy to find grounds of opposition. But it was for them to suggest a scheme which the Government could carry into operation. As to the demand of a guarantee being objectionable: was it not a fact that the Chinese Government already deposited large sums as guarantees in various matters? Was it not a fact that Mr. Hart had in hand a large fund as guarantee for the Government foreign employés? Such, at any rate, was believed to be the case. And if the thing could be done in one case, he did not see why it should not be done in the matter of transit dues.

Mr. Groom thought the suggestion came very well in a letter written to help Sir Rutherford Alcock in settling the terms of the new Treaty. We all knew well how money was disposed of when it once got into the Imperial Treasury. The tonnage dues were an example. Foreigners had been paying enormous sums under this head for a series of years, for, as they believed, a specific object, which has never been fulfilled. If those dues were also paid into the hands of Consuls, they would probably get lights in the river and on the coast far sooner than at present. A suggestion to that effect might, even, be mentioned in the letter.

Mr. Hogg said, as a matter of fact, there was not one clause in the Treaty which the Chinese had not broken; and Mr. Groom's argument, therefore, amounted to urging that a guarantee should be taken for the fulfilment of every clause. It seemed unfair to ask a Government to give guarantees for its own good faith.

Mr. Michie said the Chinese had never done anything yet, except under pressure; and he thought to ask the Chinese to deposit certain fees was a more reputable mode of pressure than perpetual bombardments. We had not been able to show much respect for the Government for the last twenty-five years, and he feared we should not be able to do so for the next twenty-five. If we did not ask them to deposit a large sum of bargain money, which was a recognized custom of the country, he feared we should not succeed any better in future than we had done in the past.

Mr. Cunningham said the paragraph under discussion seemed inconsistent. It suggested that the deposit should be taken out of moneys paid on account of transit dues to the provincial authorities, whereas we looked to the Imperial Government to satisfy our claims. He thought to introduce this subject was to go too far; it was going back to the Memorial. The Chamber has been asked a simple question, and had better keep to it. The suggested coal paragraph had better take the place of that about guarantees.

Mr. Michie said that the deposit was intended as a guarantee against exactions by the

provincial authorities. All our claims lay against the provincial authorities, and we always recovered from them, not from the Imperial Government.

Mr. Carter agreed with Mr. Hogg that it would be better to omit the paragraph. The Chinese might ask in return who would guarantee the Consuls. Sir Rutherford would never ask such a concession, and the Chinese would never grant it if he did. They had Mr. Hart to advise them on such a point. The paragraph, therefore, was quite useless, and only spoiled the letter. It would be much better to withdraw it, and, as Mr. Cunningham suggests, fill up the vacuum with the paragraph about coal mining.

After some further discussion, it was resolved to omit the paragraph, as the question was one better left in the hands of Her Britannic Majesty's Minister.

Mr. Johnson's resolution was now seconded by Mr. Reid, and carried,—the Chairman suggesting that, if any member having any minor suggestion to make would send it in writing to the Secretary, it would be carefully considered.

No. 90.

Consul Fittock to Lord Stanley.—(Received April 5.)

My Lord, *Ningpo, January* 27, 1869.

IN accordance with the tenor of the instructions I have received from Sir Rutherford Alcock, K.C.B., Her Majesty's Minister and Chief Superintendent of British Trade at Peking, I have the honour to transmit herewith copy of a letter to my address from Mr. J. S. Hudson, a British merchant at this port, relative to the suggested extension of the facilities for trading in the interior by foreigners, together with a copy of my despatch forwarding the same to Peking.

I have, &c.
(Signed) W. H. FITTOCK.

Inclosure 1 in No. 90.

Consul Fittock to Sir R. Alcock.

Sir, *Ningpo, January* 23, 1869.

I HAVE the honour to forward to you herewith, copy of a letter I have received from Mr. Hudson, a British merchant, on the subject of subsidiary places of resort for purposes of trade by foreigners in the interior.

Mr. Hudson has been in business at this port for about twenty-five years; he is well acquainted with the language, written and spoken, and, no doubt, his views will receive that degree of attention to which his great experience may entitle them.

As regards Mr. Hudson's suggestion that foreign Consular messengers be appointed to accompany foreigners settling inland, such a plan does not appear to me very feasible, and certainly I should not think the charges of such messengers could be expected to be borne either jointly or separately by the Consulates or the Intendant of Circuit, unless indeed the requisite funds, in the first place, could be raised by fees to be levied upon foreigners desiring to go into the interior, under special conditions, as I have already proposed in my despatch of the 17th June giving cover to the memorial of the British merchants residing at Ningpo.

The suggestions contained in the last paragraph of Mr. Hudson's letter appear to me so sensible that I would respectfully call your Excellency's special attention to them; and although in all likelihood the Chinese document forming the inclosure to his letter is already in the Legation, I deemed it of sufficient importance to require a translation of it from Mr. Acting Interpreter Porter, and this translation I inclose together with a copy of the text as forwarded to me.

A copy of this despatch with its inclosures will be forwarded to Her Majesty's Secretary of State for Foreign Affairs, in accordance with the tenor of your instructions.

Your, &c.
(Signed) W. H. FITTOCK.

Inclosure 2 in No. 90.

Mr. Hudson to Consul Fittock.

Sir, *Ningpo, January* 18, 1869.

IN answer to the letter from his Excellency Sir Rutherford Alcock, circulated by you, I beg to submit to you a few suggestions which may tend to facilitate the gradual opening of the interior of this vast country. There is no doubt that a premature and violent opening of it would produce many disorders, and much ill-will with the native Government, as the latter have invariably been opposed to its accomplishment. Thus to do it without their full consent would bring great discredit upon their previous political actions. They acted according to the popular superstitious fears in resisting foreigners at first but as these have been allayed by the lapse of time and the non-annexation policy of foreigners, their cordial consent may now be obtained for the further extension of foreign commerce

In the Yang-chow affair the incipient cause may have been this, that the officials thought themselves slighted by the independent action of the foreigners, who only appealed to them when an action was impending; and this, combined with their innate dislike of foreigners, determined them to brave censure and disgrace from their superiors, who they knew would only act upon compulsion.

1st. In selecting marts in the interior I would suggest that cities, as far inland as we are yet acquainted with, and which have communication with an open port, should be specially selected, and if the foreigners who go to reside in these inland cities should become acquainted with other marts of equal or greater importance, these other cities (on proper investigation of the representations made) be then thrown open in a similar way, without waiting for another revision of the Treaty. In this manner much may be quickly performed before another extensive revision of the Treaty takes place.

To do this gradually, peacefully, and legally, I would suggest—

2nd. That foreign Consular messengers, well versed in Chinese, be apppointed to accompany all such settlements of foreigners inland, who could hold intercourse with the officials of that place, and arrange about renting houses, &c., and in case of a difficulty refer back to the Consul of the open port by whom he was sent. The illegal exactions of barriers, disputes at mines, &c., might be personally investigated by such messenger, and if unable to decide any case, be reported by him to his Consul. Might not this plan be adopted at any of the newly-opened ports, which are not far from a port where there is already a Consulate?

The charges of these messengers might be jointly borne by the Intendant of Circuit and the Consulate of an open port from which he was sent. Thus, each Consul of different nationalities could either send their own separate authorized agent, or combine to employ only one, as the business of the interior might demand.

The advantage of such an arrangement to the Chinese is obvious, as it would tend to allay their fears of disturbances, and ultimately promote the opening of the whole country, as foreigners would then live in the interior, not only under the sanction of a pass, but obtain also the express permission and protection of all local authorities.

3rd. The future selection and opening of interior marts might be safely left to the judgment and discretion of the Consuls and Intendant of Circuit at the open ports.

To illustrate the first and third suggestion, I will mention the city of Khen-chow in this province as a desirable city to open. It is situated at the head of the Tsien-tang River, and has water-communication with this port. It is near the boundaries of four provinces, Keangse, Che-kiang, Anhwuy, and Fukien, and it is a depôt for large quantities of tea-leaf (brought from Keangse), which is there sold in its rough state, and finds its way afterwards to Ningpo or Shanghae.

It is not far from the Chang-yu-shan districts, celebrated by a stone tablet as the highway from seven provinces to Khen-chow, Chih-seng Hiung-khen.

Lastly, I beg to hand you a copy of queries sent by the Chinese Minister of Foreign Affairs to the high officials throughout the Empire, to ascertain their views in relation to the revision of the Treaty, some of which are similar to those addressed by Sir Rutherford Alcock to the various Chambers of Commerce.

I would suggest that, as the replies of the various Chambers of Commerce are open to the inspection of the Chinese Government, that they also should submit the answers they have received to their queries to the inspection and consideration of the Foreign Ministers at Peking, that they may know their peculiar difficulties as shown by their own people in different parts of the Empire, and thus be better able to meet them in an amicable spirit.

If published for general information, they would probably show us Chinese modes of reasoning more lucidly than any other official document could, and enable the public generally to form a correct view of the position of foreigners amongst the Chinese, by which they might be guided to adopt a mode of intercourse which will perpetuate peaceful relations.

I remain, &c.
(Signed) J. S. HUDSON.

Inclosure 3 in No. 90.

(Translation.)

Five Articles relating to Tien-tsin.

1. THE opening of collieries at the western hills of Peking, and the construction of a railroad (or tramway) to the shipping at Tien-tsin.

2. The erection at Takoo of a jetty and a water-sluice, that grain ships and cargo vessels of all countries may there disembark their cargoes, and thus avoid the necessity of navigating the river (Peiho), and the chance of collision with the steamers.

3. The river at Takoo being shallow, the removal of obstructions by steam machinery.

4. The erection of a lighthouse on the river bank at Takoo.

5. The distance between the Custom-house and the place for the searching of goods being excessive, the necessity for the Custom-house, the duty-receiving hong, and the (Customs) bank being in one establishment (or in the same place).

Twenty-four Articles for all the Ports.

1. The necessity for the local authorities treating the missionaries preaching the doctrine of Jesus (Protestant), exactly the same as those who teach that of the Lord of Heaven (Catholics), wherever they may go.

2. The necessity for foreigners procceding into the interior being furnished with passports; and in the case of the local authorities (in the interior) not understanding the law with regard to such passports, and being unable thus to protect them, the necessity for the Chinese Government henceforth to make known to all the local authorities the purport of the passport (system), that they may universally afford them protection.

3. The necessity for foreigners buying ground to build on, or renting houses, no matter in what province or place, in the pursuit of rightful business or preaching the Gospel, or travelling for purposes of trade, according to their own inclination, not being interfered with.

4. Permission to foreign vessels proceeding into the interior to trade or travel about, if trading vessels, to pay duty according to regulation.

5. Prohibition to all barriers exacting a squeeze on foreign goods that have paid the proper duty on entering a port.

6. Foreign ships coming to any river where there is any obstruction, the necessity for the Chinese Government to buy steam machinery to clear away any such, that the vessels can proceed; and for the lighthouses, smoke-beacons, and buoys to be so constructed as to be easely recognized by foreigners.

7. Foreign goods after having entered a port, no matter what year or month, be the time long or short, and being sent to other ports for sale, to be allowed to proceed without further payment to the Customs, on production of a receipt showing that the duty had been already paid.

8. China having been for a number of years on bad terms with foreign nations, but now of late years having come to understand (the necessity or the good to be derived from, or for friendly relations), and foreign Representatives being now permitted to reside in Peking, by which the trade has received an immense impetus, the still further advantages to be gained by opening ports in the northern regions (north of China Proper), and in the eighteen provinces.

9. Besides the interior, the whole eighteen provinces. The necessity for foreigners (being allowed) to proceed at will to Mongolia and Chilin (Kerin), whether to trade, to rear farm stock, or to cultivate.

10. Foreigners allowed to construct railways and telegraphs in all the provinces (all over China) and in the country north of China Proper, as suits their taste. Chinamen not only prohibited from interference but compelled to assist (in such works), (from which) rade and military operations would receive large advantages.

11. Permission by the Emperor to foreigners to open coal and iron mines in al. the provinces and the country north of China Proper, and to use, if they wish, foreign appliances.

12. Orders issued by the Government for the construction of large godowns at all the sea-ports where foreign goods not yet having paid duty can remain till such time as the duty is paid, when they can be removed.

13. Silver melting establishments compelled by Government o stamp the quality of the touch and the weight on the face of all ingots made by them.

14. The establishment by Government of large (silver melting) shops, to coin tael pieces, 5-mace pieces, pieces of 2 mace, 5 candarines, and 1-mace pieces, for convenient use.

15. Means be devised by Government for surveillance of Chinese banks, that there may be no sudden failures, by which Chinese and foreigners alike will escape loss.

16. Permission to foreigners to convey English salt into the interior for sale; duty to be reckoned and paid according to the quantity sold.

17. All the inland barriers having already exacted the leking tax from foreign merchants, to pay it back again in full if the goods brought up have not been sold.

18. It has been up to this time prohibited to foreign merchants to open hongs in Peking; but the foreign Representatives have resided there for a considerable time, and they and the Chinese authorities thoroughly understand one another. The necessity, therefore, for the prohibition to be removed, that foreigners may trade there as at the open ports.

19. Chinese coal not to pay duty while in the boundaries of China; to pay duty according to value if carried beyond Hong Kong.

20. Duty to be paid only once by all merchants on Chinese produce imported and exported at all the ports.

21. The Government to permit steamers to ply for trade on the Yellow River.

22. Foreign merchants have up to the present transacted business with the Chinese authorities through their Consuls—a very troublesome method. Henceforward foreign merchants to discuss their business questions with the Chinese authorities in person without the representation of the cases by the Consuls.

23. Indian produce, such as opium, &c., brought by foreign merchants into the interior, to be dealt with the same as all other products of every country.

24. The duty on Chinese-produced goods has been up to the present 5 per cent.; but if conveyed in steamers or railways the price of the goods would diminish; the duty ought therefore to diminish correspondingly.

No. 91.

Consul Pedder to Lord Stanley.—(Received April 8.)

Sir, *Amoy, February* 10, 1869.

IN accordance with instructions from Her Majesty's Minister at Peking, I have the honour to inclose copy of my despatch (with inclosures) to Sir R. Alcock regarding the opening of additional ports to foreign trade.

I have, &c.
(Signed) W. H. PEDDER.

Inclosure 1 in No. 91.

Consul Pedder to Sir R. Alcock.

Sir, *Amoy, February* 9, 1869.

I HAVE the honour to inclose copy of a letter to my address conveying the views of the British mercantile community at this port on the subjects regarding which their opinion was called for in your despatch of the 11th December last.

I inclose also a Report from myself on the same subjects, in the form of remarks, on the letter above-mentioned, together with a rough outline map of this neighbourhood, in order to show how the proposed dependency, called Chin-chew by foreigners, is situated with regard to Amoy. The double-dotted line in this map shows the inside passage that might be used by small vessels engaged in the trade between that place and Amoy.

There is every reason for believing that if Chin-chew and the other places mentioned

in the inclosure of my despatch of 23rd June, 1868, were made accessible to the foreign merchants of Amoy for purposes of trade, this port would shortly become one of the most important on the coast, and that this end might be attained under suitable regulations without any separate Consular or Customs establishments.

I may mention that most of the proposed dependencies alluded to above are frequently visited by foreigners for purposes of pleasure, and that this has been done for at least twenty years. And I may also mention that, before the establishment of the Foreign Inspectorate of Customs, a direct trade was carried on at Chin-chew by British subjects, in receiving ships stationed at that port.

In accordance with your directions a copy of this despatch, with its inclosures, will be forwarded to the Foreign Office.

I have, &c.
(Signed) W. H. PEDDER.

Inclosure 2 in No. 91.

British Merchants at Amoy to Consul Pedder.

Sir, *Amoy, February* 8, 1869.

WE have much pleasure in responding to your request that we should give you our views regarding certain questions contained in his Excellency Sir Rutherford Alcock's despatch to you, dated Peking, 11th December, a copy of which you have circulated for our information.

These questions are four in number, viz. :—

1. Are more ports required for British trade at present on the coast of China?

2. What do we mean by subsidiary ports in our Memorial of the 18th October, 1867?

3. What ports do we proposed should be opened as subsidiary?

4. How do we propose they should be worked without Consular and Customs establishments.

After due deliberation, we beg now to lay before you the following answers :—

1. This question concerns the whole mercantile interests on the coast of China, and we are scarcely prepared to put forward an opinion upon it further than as concerns our own immediate neighbourhood. We are distinctly of opinion that unless the whole coast of China is opened to foreign trade there is no port between this and Foo-chow, on the one hand, and Swatow on the other, of sufficient importance to call for its being opened as a regular Treaty port. We have already advocated the opening of the port of Wan-chew, and we adhere to what we stated in our Memorial on the subject.

We gave to your predecessor statistics of the trade that was done with Wanchew before the opening of the Custom-house here; these were unavoidably very incomplete, but they proved that a considerable business had been done; and we do not doubt that, were Wen-chew opened as a Treaty port, the trade would revive and vastly increase. It is but fair to state, however, that probably the mercantile communities at Foo-chow and Ningpo would be equally able to judge of the desirability of opening Wen-chew; and we think that the opinions of those communities on this point ought to have much consideration as ours.

2. By subsidiary ports, we mean all ports which are not already open to foreign trade, and which can be supervised by the existing Consular and Customs establishments, with the exception of those which, by reason of their importance, offer such advantages to general trade as would warrant the expense of additional Consular and Custom-house, as well as mercantile establishments.

3. In answering the third question, we confine ourselves to the vicinity of our own port; and we are of opinion that all ports, whether accessible by vessels of light or heavy draught, from Tongsan inclusive on the south, and Hing-wha inclusive on the north, should be opened to foreign trade to and from Amoy, and also all inland waters accessible from the coast between these two ports.

4. We conceive that subsidiary ports could be worked without Consular or Customs establishments, with as little chance of smuggling as there is under the present coast-trade system, were rules such as the following strictly enforced :—

1. To attach these subsidiary ports to the nearest Treaty port, and give the Consular and Custom-house authorities jurisdiction over them.

2. The Custom-house to have an efficient steam-revenue cruiser for each Treaty port, and its dependencies.

3. To have a rigorous system of bonds and penalties, through which the slightest deviation from the rules, if any intention to defraud the revenue could be proved, would be severely punished, and disentitle the persons and vessels who break the rules to continue in the trade.

4. To prohibit any cargo from being taken to, or brought from, the dependencies, except through the Treaty port to which they are attached.

5. To stipulate that the vessels in the trade with the dependencies must be owned in the Treaty port to which they are attached; and that no person shall proceed to any of the dependencies without giving security to the Consul, and obtaining special permit from him, countersigned by the native authorities.

These rules, together with such other as could easily be framed by the Inspector-General of Customs, would we imagine, enable the trade to go on satisfactorily.

It appears, however, to be almost needless for us to enlarge upon this subject, as his Excellency Sir Rutherford Alcock states in his despatch, that the Chinese Government will not voluntarily consent to open any port without stipulating for the residence of Consular Agents, and without themselves placing a Customs establishment at each place; and if this be the case, the matter is at an end.

His Excellency, in the paragraph immediately following, states that the advantages sought by subsidiary ports are likely to be conceded to some extent in another manner. On looking over the paragraph, it seems to us that the contemplated concession is restricted to the inland waters, and the vessels to be used must not be propelled by steam. This right we have already, under the existing Treaty, if the trade transit certificates could be properly carried out. His Excellency, however, considers that the concession, if ultimately agreed upon, "would enable merchants settled at any Treaty port to trade directly with all the places along the coast, or up the rivers, in the vicinity of their own ports, and in boats of their own, which they can build, large or small, according to the ascertained requirements of such local trade." This is very much what we asked for in our Memorial; but it appeared to us that there is a want of distinctness about the contemplated concession which we would be glad to see removed, in order that there may be no possible cavilling about its clear meaning, as there has been about trading into the interior under transit certificates; and we should also be glad to see the clause framed so as to allow foreigners to make use of native as well as foreign-owned vessels belonging to the Treaty ports, and to include steamers. There is also another thing necessary to make this clause of practical use. Many of the large inland cities in the neighbourhood of this port—and doubtless the same applies to other ports—though accessible by water in boats of very small draught, to within a very short distance, are not accessible by water the whole way; and there are others to which the water communication is not direct, that is, goods leaving the Treaty ports, after going for some distance up one river, have to be carried a few miles overland and reshipped on another river. To prevent extortion, it would therefore be necessary so to frame this clause that goods should be exempt from imposts during their overland transit as much as during their transit by water; and that the coolie hire for carrying such goods should not exceed the customary Tariff of the locality.

We earnestly trust that his Excellency will push the matter to a satisfactory conclusion.

We are, &c.
TAIT AND Co.
BOYD AND Co.
J. CASS, *Secretary to the Amoy Dock Company.*
For John Forster and Co.,
F. W. KITCHING.
BROWN AND Co.
DANVER AND Co.
A. TAMOOLJEE.
GILES AND Co.
WILSON, NICHOLLS, AND Co.
ELLES AND Co.

Inclosure 3 in No. 91.

Remarks on a Letter from the British Mercantile Community at Amoy to Consul Pedder.

I ENTIRELY concur with the writers in their answer to the first question, which they say is put to them. But they might have shown more distinctly that the opening

of Wen-chew as a principal Treaty port would be a great and direct benefit to the port of Amoy.

2. So far as Amoy is concerned, I concur with the writers in their answer to the second question; keeping in view the limitation clause regarding the possibility of sufficient supervision by the Consular and Customs establishments of this port. I shall say more on this point further on.

3. I think that the writers ask for too much in every way in their answer to the third question. With regard to the limitation mentioned just above, Chin-chew is the only port outside of Amoy which could be conveniently included within this Consular district at present, and it is, in my opinion, the only one that will be worth having for many years to come.

4. With regard to the answer of the writers to the fourth question, I have to remark that if Chin-chew were the only subsidiary port opened on the coast in this neighbourhood, and if it were opened only as a dependency of Amoy, trade could be allowed there under regulations somewhat similar to those proposed by the writers with perfect safety to the Customs revenue. It might, in fact, be placed on the same footing as if it were a place on the Amoy rivers, and on this account I included it in the list of places inclosed in my despatch of the 23rd of June, 1868, copy of which was forwarded to the Foreign Office in accordance with your instructions. With reference to the regulations suggested by the writers, I may observe that no Revenue cruiser would be required for this port and the one outside dependency of Chin-chew.

Before quitting this subject I would be permitted to state that, in advocating the opening of Chin-chew as a dependency of Amoy, I mean that the right of proceeding to or residing there for the purposes of trade should be restricted to persons belonging to and registered at this port, and taking out their licenses here; and that the trade conducted by them should be only between Chin-chew and Amoy, at which latter place all dues and duties would be paid. Under any other circumstances, even the partial opening of such an important place so close to Amoy would be a serious injury instead of a source of strength to this port. And I believe, moreover, that it is only by the maintenance of such restrictions that separate Consular and Customs establishments could be dispensed with at Chin-chew.

I agree in the main with what the writers say in the remainder of their letter, especially in their statement that the concession mentioned in the paragraph which they quote from Sir Rutherford Alcock's despatch would amount to very much what is wished for and required at this port, if the concession should be made in a fairly liberal spirit and so framed as to admit of adaptation to local circumstances at the various Treaty ports.

In conclusion, I may observe that I have scarcely said enough regarding the advantage that would be derived by this port from the opening of Chin-chew as a mere dependency of Amoy, or the damage that would be done to its trade if that place should be placed on any more independent footing. On this point I can only state now that the two places are the sea-ports for nearly the same districts in the interior, and that Chin-chew as an open port would compete on equal terms with Amoy for the trade of the same part of the country; whilst, as a dependency it would open to the trade of this port a ready access to a large city and very productive district of country, with a gross population of at least half a million of some of the most enterprising people in China.

The city of Chin-chew is the capital of the department in which Amoy is situated.

(Signed) W. H. PEDDER, *Consul.*

British Consulate, Amoy, February 9, 1869.

Inclosure 4 in No. 91.

Outline Map of the Neighbourhood of Amoy.

No. 92.

Consul Medhurst to the Earl of Clarendon.—(Received April 10.)

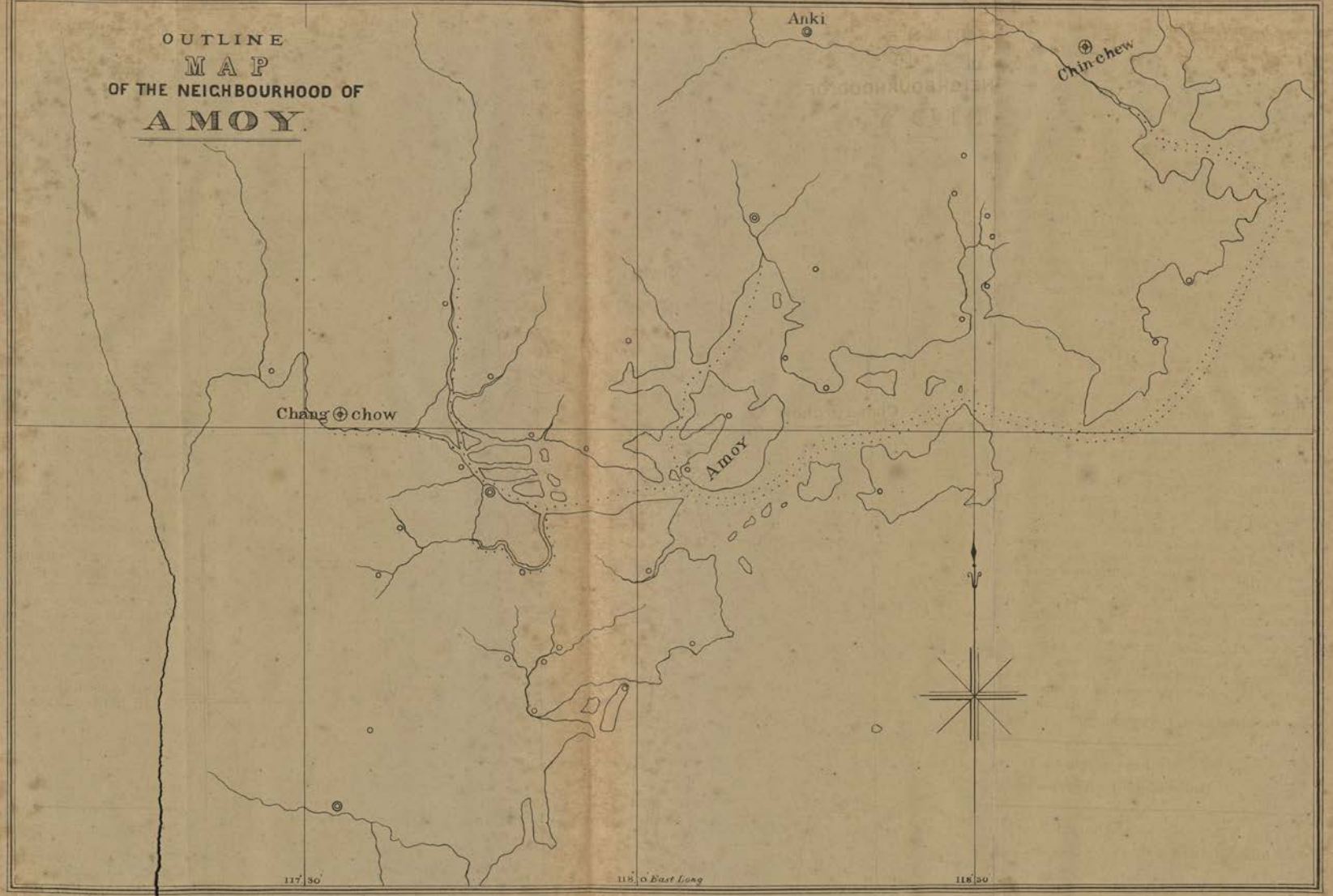
My Lord, *Shanghae, February* 16, 1869.

I HAVE the honour to forward, for your Lordship's information, copy of my despatch of to-day's date, with inclosures, to the address of Sir Rutherford Alcock, Her Majesty's Minister in Peking, on the subject of extending our commercial intercourse with China.

I have, &c.

(Signed) W. H. MEDHURST.

OUTLINE MAP OF THE NEIGHBOURHOOD OF AMOY.



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*** The double-dotted line shows the passage from Amoy to Chin-chew, by the route inside the Islands.

Inclosure 1 in No. 92.

Consul Medhurst to Sir R. Alcock.

Sir, *Shanghae, February* 16, 1869.

REFERRING to my despatch dated the 1st instant, I have the honour to submit herewith copies of two further communications which I have received from mercantile men on the subject of an extension of our commercial relations with China.

The first is from Mr. Canny, and in continuation of the letter from that gentleman, a copy of which forms Inclosure No. 1 in my despatch above alluded to; the second is from the pen of Mr. Robertson, an assistant in an American firm, but a Scotchman by birth and education, and a gentleman of some mark in our community as a writer upon commercial and international relations with this country. He is very generally believed to have been the author of the article on foreign policy in China which appeared in the "Westminster Review" of October last. His present letter partakes much more of a theoretical character than those of any one of the writers who have preceded him, but it contains, nevertheless, many valuable suggestions in reference to the general question of extended intercourse.

I have, &c.
(Signed) W. H. MEDHURST.

Inclosure 2 in No. 92.

Mr. Canny to Consul Medhurst.

Sir, *Chin-kiang, February* 10, 1869.

ON the 22nd ultimo, I had the honour of addressing you relative to certain proposed changes in the Treaty of Tien-tsin; and since then have visited the ports of Ta Tung and Wu-hu for the purpose of ascertaining by personal observation their capabilities for foreign trade.

The result of my inquiries, which I purpose laying before you in the present communication for the information of Her Majesty's Minister, leads me to the conclusion that Wu-hu is by far the more important port of the two, and is well adapted to become a considerable centre of trade if thrown open to foreign commerce.

Its superior importance is chiefly due to the excellence of its water communication with the interior; its suitability as a place of export for green teas, silk, and cotton; and its present large and prosperous business, which is greater than that of Ta Tung or Ngan-king-foo. A large canal, with an average depth of 6 feet in the winter and from 10 to 12 feet in the summer, connects Wu-hu with the important city of Ning-Quo-foo in southern An-whei—50 miles distant. Another canal runs inland for over 80 miles to Tai-ping-Hseen, the centre of the Tae-ping tea districts. This canal, which is only navigable in summer for flat-bottomed boats carrying 200 or 300 piculs of cargo, passes through the silk districts of Nan-Sing and King-shi, which are within 60 miles of Wu-hu. Besides these, two other creeks lead to Lie-An and Tung-pê—the former being navigable for small native craft for nearly 100 miles from the Yang-tsze. Ta Tung, on the other hand, has only one canal leading inland to southern An-whei, and that is navigable for a distance of nearly 12 miles from its junction with the Great River. The Tae-ping tea districts are nearer to Ta Tung than they are to Wu-hu, but there is the manifest disadvantage of having to carry them overland to Ta Tung for 40 miles, while they can be conveyed all the way to Wu-hu by water.

On the northern side of the Yang-tsze, a very fine canal, navigable for steamers drawing, it is said, 10 to 12 feet of water, connects Wu-hu with the large city of Lin-chow, which is the chief mercantile emporium of central An-whei. This canal passes through an extensive cotton and rice-producing country, and it would be a very great benefit to both native and foreign trade if it were thrown open to navigation by small steamers. Ta Tung is also connected with Lin-chow by a well-constructed canal.

The present appearance of Wu-hu is that of a thriving, busy commercial town. There are numbers of large and very fine hongs in the suburbs, where native and foreign goods are sold, and the streets are moderately broad and well-paved. Judging from the crowd of junks lying in the canal, the trade of the place must be very considerable. I should think 6,000,000 taels per annum a reasonable estimate. The present population is under 50,000 souls. Ta Tung contains not more than 8,000 to 10,000 inhabitants, and derives its chief importance from being a Government salt depôt. The present value of its trade

is very considerably less than that of Wu-hu, but it is said to be capable of development in the items of cotton, rice, tea, and hemp.

From these data it will be evident that Wu-hu is a much more important commercial centre than Ta Tung; and that it would be a great boon to both foreign and native merchants if it were formerly thrown open to foreign trade. If this were done and a Vice-Consul or an assistant from the Chin-kiang Consulate placed in charge, Ta Tung and Ngan-king-foo might be made ports of call for steamers, at which British subjects could reside under certain conditions, and steamers land and ship cargo under bond.

I have, &c.

(Signed) J. M. CANNY.

Inclosure 3 in No. 92.

Mr. Robertson to Consul Medhvrst.

Dear Sir, *Shanghae, February* 13, 1869.

REFERRING to your advertisement in the local journals inviting suggestions regarding the Treaty of Tien-tsin, and to our conversation on the revision of the Treaty, I now beg to offer the following observations.

The Treaties of Nanking and Tien-tsin were concluded after a successful warfare and were the results of the rights we had acquired by conquest. Now, however, we are preparing for a new Treaty after a lengthened period of peace, and the present is a fitting occasion when we might introduce into our method of dealing with the Chinese some definite political principals, which would enable us to carry out a just and reasonable policy. Hitherto our demands have been unlimited, although the conviction is almost universal that it is not advisable to open up China except by gradual steps. Still, we have been afraid to assert that such is the fact, in case it might be thought we were abandoning our rights as conquerors, to live and trade in every part of the Chinese Empire. Yet this barren assertion of our rights has never been countenanced either by our own Government or that of China, and we have simply weakened our just representations and fair demands by joining on to them this impracticable claim for concessions which we never expected to obtain.

There is one important consideration that has generally been lost sight of in our treatment of the Chinese, and that is the moral responsibility of the British Government for the results of concessions which they may demand of the Chinese Government. I am not aware that in any memorial which has been drawn up regarding the Treaty, there has been any sufficient attempt to prove to the British Government that the recommendations made could be carried out without danger or injury. In the case of the River Yang-tsze it is asked that it be opened up to Chung-king for steam navigation, a distance of 720 miles from Hankow. Now our information is so scanty that we are unable to estimate the probable results of such a concession, or to form any accurate idea of its effect on native interests. We wish to approach more nearly to the inland wants of the Empire, to find additional navigable waters for our steamers, and as Chung-king is the most remote port of importance to which steamers can run, that has been fixed upon as the place to which we ought to insist on the Chinese Government opening up the river to steam navigation. It seems to me if we suddenly introduce steamers between Hankow and Chung-king that, in the absence of any positive reasons to the contrary, we cannot fail to displace a large amount of labour, and for the time, at least, deprive a considerable body of people of the means of earning a livelihood. Now this might prove a source of serious embarrassment to a weak government like that of China, which has to confront rebellion on occasion of every deficient harvest or overflow of the banks of the Yellow River.

It has, however, never been pretended either by statesmen or economists, that great industrial changes can be accomplished without considerable temporary injury and hardship to the persons whose labour is superseded. Even when thoroughly convinced of the utility of changes, European statesmen have often been careful of even comparatively trifling industries, so as not to expose them to immediate ruin; and have prolonged to longer or shorter periods the dates at which successive changes would take place. Now if such has been the practice in enlightened Europe, if a certain judicious caution has there been regarded as necessary, the question comes to be, are the circumstances of China such that these precautions can be dispensed with? As to whether the Yang-tsze will ultimately be opened up to Chung-king for steamers, I can only say that few things seem to me more directly in the natural and not distant course of events. But we know that the Chinese Government will not spontaneously concede the navigation to Chung-king by steamers at

present; and, such being the case, I think the British Government ought to hesitate about exerting pressure to accomplish this object, especially as the demand is of such a magnitude that few European Governments would yield the concessions under similar circumstances.

We would do well to show to the Chinese Government that we do not wish to deal recklessly with their interests and industries, while we deal carefully with our own.

There is every reason to suppose that the Peking Government are willing to open the Yang-tsze as far as Chung-king to foreign-owned boats not propelled by steam; and this will give us the fullest opportunity for collecting information regarding the trade and navigability of the river, while it will not interfere with the employment of the people. However, while thinking it unwise to insist upon concessions so extensive that the Chinese might reasonably take exception to them, it is not necessary to refrain from such recommendations as show to them that we are anxious to make our own progress subordinate to what even they must conceive as the interests of the Empire. Taking into consideration their just fears as to the results of sweeping changes, the opening of the Yang-tsze to steam as far as Yoh-chow on the Tung-ting Lake, a distance of 130 miles above Hankow, seems to me a measure which we may fairly demand, and one which the most scrupulous Government might urge in the strongest terms on the Chinese authorities as an important step in advance, and yet one which is moderate and reasonable.

I refrain from any parallel between the internal navigation of Great Britain, the Continent of Europe, and the United States, which is forbidden to foreign vessels, and the internal navigation of China, where we are in the habit of asserting our unlimited right to do as we please with foreign vessels, because aggressive commerce and civilization gradually making way in semi-civilized countries, cannot possibly be subject to the same laws as are suited to the West. But at least the restrictions in the case of civilized nations ought to make us regard our departure from the universal law of the West as imposing upon us duties and responsibilities towards the Chinese, rather than as clothing us with indefeasible rights to which everything must conform.

As to the opening of a few more ports on the coast, the Chinese Government seem to be willing enough that this should be done; and the question may be whether the British Government will accept as open ports all those that the Chinese will be willing to grant.

The question of the opening up of the inner waters generally to steam navigation is not, in my opinion, one of very pressing importance; and I can hardly think that under a persuasive policy the Chinese would long hesitate to permit small steamers to be introduced within reasonable limits. They appear, however, at present entirely opposed to it; but as yet it has been demanded of them through Sir Rutherford Alcock as a Treaty right; and I presume they have felt themselves bound in honour to reject it as such, and I do not think that any British Representative would feel justified in contesting their interpretation. It might have been wise for the Chinese to have yielded to the desire expressed in favour of small steamers, and especially as during the ascendancy of the Taeping rebellion small steamers had not been hindered in navigating the inland waters: but when we are suing for permission which it is entirely at the option of another Power to grant, it becomes us to ask for this permission, even though the Power be the Chinese Government, and not to demand it as a right.

I come now to consider the question of the transit dues. This is certainly one of the weakest points in the Treaty of Tien-tsin. I waive all consideration of the question as to the right of the Chinese Government to organize its internal taxation on any system it pleases; but I may state that the taxation of foreign imports generally, including internal squeezes to places of which we have definite information, is not so high in the majority of instances as is the Tariff of the United States or Canada; and the inference might be drawn that the right of interference is the same in Canada as in China under such circumstances. Conceding, however, what I by no means admit, that we have the right to regulate the taxation of foreign imports in the interior, I have now to ask whether under any system of justice we have the right to extort from the Chinese Government more favourable terms of trading for ourselves than are accorded to the Chinese people themselves. I take the following passages from the annual volume of the Reports on Trade for 1867, from the pen of Mr. J. K. Leonard, Commissioner of Customs at Ningpo:—

"My remarks last year on the daily abuse of the transit pass system are equally applicable to 1867. These documents are still an article of traffic between the foreign and native merchant, who buys foreign protection for his cotton *in transitu* by a payment of 50 cents per bale. As the Chinese merchant saves 50 per cent. on the amount of his inland taxes by using a foreign transit pass, he can scarcely be blamed for transacting his

business in the way most profitable to himself; the fault lies in the state of affairs which makes it worth his while to obtain the document.

"If the foreign merchant made an effort to retain the business of the port in his own hands, by only procuring passes for such goods as were bought from himself, or brought from the interior to his consignment, one could sympathize with his aim; but these documents are applied for to cover goods that have never been in his possession, and of the existence of which he is quite ignorant."

I may here state that the Province of Che-kiang, in which Ningpo is situated, is the only one in which the transit pass system has been fairly carried out by the authorities; and the above quotation shows that in the article of cotton (cited as an example,) foreigners only pay one-half of the taxes payable on the same goods by natives; and further, that there are foreigners known to live by frauds on the Chinese Government without the Consuls, the foreign officials of the Customs, or the Chinese authorities themselves taking steps to put a stop to such practices. To the first of these considerations I have to say it is unjust that foreigners should be placed in a better position for trading throughout the Empire than the natives; and to the second, that it is lowering to the honour of foreign Governments to have privileges extorted in the name of justice abused for the private benefit of a few individuals.

The only ground on which the transit pass system can be fairly introduced is that of the single transit duty being an ample commutation for all inland taxes. It is manifestly unjust that foreign imports should bear less than their proper share of the taxation of the Empire. In the Province of Che-kiang the transit pass system is carried out in spite of its injustice; in this Province of Kiang-soo the system has proved a failure on account of the opposition of the Mandarins; and according to Mr. Dick's Report on the Trade of Tien-tsin for 1867, the internal taxation is so light in the North that transit passes are unnecessary, and therefore are not applied for. To show that the Chinese system accommodates itself to circumstances, I may draw attention to a statement in the Shanghae Chamber of Commerce Memorial to Sir Rutherford Alcock, to the effect that at the time the Memorial was written, November 1867, the inland charges on a piece of shirtings going from here to Soo-chow were taels 0·36; whereas it is now asserted, on the authority of the foreign officials of the Customs, that they are reduced to taels 0·10, and I may safely say, from personal inquiries, that they do not exceed taels 0·15. The inland charges, therefore, on shirtings going to Soo-chow, amount to from 5 to 7½ per cent., and the duty payable on landing at Shanghae is 4 per cent., so that the total duty at Soo-chow is from 9 to 11½ per cent., an amount which could be easily paralleled among foreign nations; and, at least, it would be very strange if we insisted on our cottons passing into the interior at lower rates of taxation than native cottons.

As to the opening of coal mines the course of the British Government is clear and decided. Of all the measures advocated this is the least objectionable, and there are stronger reasons for pressing it on the Chinese Government, and fewer reasons for their refusing it, than is the case with any other demand. The opening up of coal mines, and working them by means of foreign appliances, would be the gain of a new and important industry for the employment of the Chinese people, and would enrich the owners of the mines, besides yielding a royalty to the Government. It would be the creation of a demand for new labour, which must always be an extremely desirable object amongst an indigent people; and while it inflicted no injustice or injury, it would add strength to a weak Government. The only sufferers would be Great Britain, the United States, Australia, and Japan, from which countries a large part of our supplies of coal are at present derived; the consequence is that in exerting pressure on the Chinese Government for the opening of coal mines to foreigners and foreign methods, the British Government would be adopting a policy which would prove its own justification. From the Chinese point of view this concession would be in every respect beneficial, and if there is any single case in which it might be desirable to urge on the Chinese Government the necessity of yielding, it is this of the opening of coal mines. But while the principle involved may be accepted in the most unqualified manner, it would be unwise to place our demands before the Peking Government on too large a scale. The chief coal mines well known to us are those close to the banks of the Yang-tsze, near Han-kow and Chin-kiang, at Chai-tang, in the vicinity of Tien-tsin, and in the Island of Formosa. These are all worked at present, except those near Chin-kiang; and as they are readily accessible, and would enable us to obtain coal at the places where it is most wanted, the concession for at least these four localities might fairly be urged on the Government as an experiment, the success of which would soon lead to a more general development of mining.

The introduction of railways on any extensive scale is not likely to be permitted at present, but it would be a considerable point gained if a concession could be obtained for

the construction of a line of moderate length as an experiment. At the same time there are considerations connected with the density of population, and the weakness and want of enterprise on the of the Chinese rulers, which have been but imperfectly examined, in view of the social and economical derangement which would necessarily follow in the path of any extensive railway system. One of the evils under which China labours is over population, and its attendant, extreme poverty, even although there may be tracts of country which have been for a time depopulated by rebellion; and we have in the West no economical question approaching anything like the magnitude of these in China. The enormous numbers of the people, their extreme indigence, the incapacity for initiative in the rulers, the slowness with which the national resources, especially minerals, are developed, all point to conditions existing in China, rendering sudden changes exceptionally dangerous as com pared with the economic conditions which prevail in the West.

On the subject of telegraphs, however, there can be but one opinion. They interfere with no industry, are not accompanied by any danger, while they would do much to improve the relations of the various ports of this vast empire, and would be a benefit to foreigners.

On one or other of the more important questions now under discussion, I wish to offer a few observations. The present position of missionaries calls for some more precise definition of the limits within which their calling is to be pursued. All of them without distinction, are permitted to go where and to do what they please, so that the prudent and the imprudent amongst them are placed on exactly the same footing, and they act prudently or imprudently according to their individual tastes. The case of Mr. Hudson Taylor and his party, who have lately come into unhappy prominence at Yang-chow, will serve as an illustration. As the facts of the Yang-chow proceedings are only before the public in a very imperfect form, I offer no opinion on the merits of the case. But it is perfectly well known that the majority of the missionaries themselves are opposed to Mr. Taylor's method of going about the country with a party of married and unmarried men and women, who dress in the native garb; because they feel that, especially as regards the women, it is an outrage on Chinese feelings and ideas. I am also informed that Mr. Consul Fittock, of Ning-po, had already warned Mr. Taylor that his proceedings were of a nature which would almost certainly lead to a conflict with the natives. But exonerating Mr. Taylor and his friends from even the suspicion of blame at Yang-chow, the question resolves itself into this: Is it wise in the British Government to permit Mr. Taylor and his friends to travel freely about the empire, when the almost unanimous opinion of Protestant missionaries, and the equally-decided convictions of the Consuls, point to the extreme danger of their provoking the natives to acts of hostility, which in a greater or less degree we should feel bound to avenge? Mr. Taylor's case is doubtless an extreme one, but it is at least real, and not imaginary. It is undoubted that amongst the missionaries there are many enlightened and able men, to whose labours in literature, and to whose general observations we are deeply indebted; but on the other hand, there are many whose zeal and imprudence are their chief qualifications. It is one of the first steps of the propagandist to set aside the national gods and national customs of China; and that this process can be accomplished, even by the most prudent men, not to speak of the imprudent, without wounding the just susceptibilities of the people, it is difficult to believe.

With regard to the opium trade little need be said. The exigencies of Indian finance have identified the British Government so closely with the trade in this article that it has been accepted as one of the branches of commerce in which honourable merchants may engage. It is unfortunate that its whole history, as regards China, should be such as one cannot look back upon with any satisfaction; and for an article which is having such a disastrous effect upon the natives to constitute about one-half of the whole import trade, by means of which we pretend to lead the Chinese to civilization, is to say the least regrettable.

But the coolie emigration has not as yet passed into the category of honourable occupations, although it has been stated in the public press that leading London houses grant the letters of credit under which the trade is carried on. It does not seem possible to organize this emigration under contracts for a certain term of service, on any plan by which the Chinese can be shielded from the cupidity of unscrupulous traders; and as, in its present form, it is nothing more nor less than a revival of the slave trade in a peculiar form, strenuous efforts ought to be made to put it down entirely.

It would be highly desirable that the new Treaty should not be concluded for any definite period, and especially for such a long term as ten years. The further opening of the Yang-tsze and its affluents to steam-navigation, might proceed at intervals of two or three years; and if we can induce the Chinese authorities to interest themselves actively in the working out of the concessions we may obtain, there will frequently be need for

changes which experience will show to be necessary, and for further concessions which the Chinese will be satisfied can be yielded without danger.

The theory of avenging offences in the localities where they have been committed without reference to our Minister at Peking, seems to be sufficiently open to objection to warrant reconsideration. Nothing can be clearer than that, if China it to attain to any condition of national independence as regards the foreign Powers, this method of exacting vengeance is bound sooner or later to give way; and such being the case, prudence would suggest that if it can be dispensed with, and full satisfaction obtained through our own Minister and the Peking Government instead, the sooner we escape from what will be, if it is not now, a false position the better.

It is the bounden duty of the British Government to issue instructions to its officials to see not only that the Chinese fulfil their Treaty obligations but, what is really more important to us as the more enlightened party to the Treaty, to see that foreigners do not transcend the limits prescribed for them. I am aware that high authorities look upon irregularities such as the frauds on the Chinese Government under the transit pass system, as things which should not be too closely inquired into, seeing that, if they are prompted by selfish motives, they are aimed at a corrupt system, and therefore perform some service. From this theory I entirely dissent. It is demoralizing to foreigners to be permitted to do, or to be abetted in, acts which in the West would be regarded as criminal; and our own national honour requires that in this question of the faithful observance of Treaties, we should show a rigid example of our superior moral practice.

The chief object for which I contend is justice to China. I wish to see a policy inaugurated which, starting from a careful and reasonable Treaty, will deal firmly with the Chinese, and will be as careful to fulfil the duties incumbent on a higher civilization, as to assert the rights it has acquired amongst an inferior people. If it is often difficult to find any clearly defined principle to guide us as to what we should do, it is generally not so difficult to determine what we should not do. For the first time we are about to negotiate a Treaty the basis of which is not to be the right of a conquest, or the humiliation of hopeless defeat; but in the calmness of peace, reason, and justice, we are about to try to persuade the Chinese the Government to yield those concessions which we undertake the responsibility of recommending, and I trust we will generously abandon those points on which we have ignorantly, perhaps, and at least in the flush of victory, exceeded the clear limitations of a just policy.

I am, &c.
(Signed) JAMES BARR ROBERTSON.

No. 93.

Acting Consul Alabaster to Lord Stanley.—(*Received April* 10.)

My Lord, *Swatow, February* 1, 1869.

I HAVE the honour to inclose copy of Messrs. Bradley and Co.'s Memorial relating to the opening of additional ports.

I have, &c.
(Signed) CHAL. ALABASTER.

Inclosure in No. 93.

Messrs. Bradley and Co. to Acting Consul Alabaster.

Sir, *Swatow, January* 20, 1869.

IN response to your notification regarding the opening of additional ports on the seaboard of China, we have the honour to submit for your consideration the following remarks:—

1. That some change is required to relieve this port from the many disadvantages it incurs, from the fact of being an "open port," there can be no question; but whether the difficulty would be best met by the opening of others, either subsidiary to, or on the same footing as this, is a question on which we respectfully observe:—

That under the present system pursued by the local authorities at other than the Treaty ports in the collection of the export and import duties, a vast advantage attaches to such of the Chinese traders who frequent them, which would cease on their being opened with what appears to be the necessary introduction of a Custom-house under

foreign control, and levying a Tariff so much heavier than that at present in force among themselves. This would naturally cause discontent and aversion to foreigners generally. And while the same cause is at work undermining daily the prosperity of this port, and depressing the energy of the mercantile community, both foreign and native, we are extremely dubious whether the opening of any further ports would not tend to withdraw from centres already established capital and industry employed in them now, without an equivalent in the increase of actual traffic.

2. It therefore appears to us to be more for the interest of British commerce to create an effective coastguard service, having for its special charge the supervision of all the coast line between Macoa and Amoy, under the management of the Customs; and the authorities at the ports not opened should be compelled to levy the same duties as are paid on foreign bottoms at the ports at present open to trade, or at these latter the Tariff should be reduced to the level of that in use at the former.

With such a system in force, we deprecate the opening of any further ports in this province; the wisdom of the selection of Swatow as a centre of supply to a large, as well as the richest, portion of the Province of Kwang-tung being abundantly proved, by the facility of transmitting from its harbour by inland water communication in many directions all articles of British industry as cheaply as could be done by the formation of other ports of supply, with the necessarily attendant expenses.

3. Perhaps it may be advanced as another argument in support of this view.

That with the increasing requirements of the age, already perceptible among Chinese, and especially among those who have enjoyed some of the advantages of a connection with foreigners, and who, it may be, are now situated in some of the more remote parts; a few points inland, between which and Swatow overland connection becomes more and more a necessity, might render them all the more willing to lend their aid to the introduction of railways and telegraphs—a step fraught with immense advantage not only to the Englishman, but also to themselves.

4. You will perceive, therefore, that our views tend toward equalizing the import and export duties at the various ports on the coast, whether opened or closed to the foreigner, the difficulties that at present exist being the result more of the absence of this equality, and the transfer from local to Imperial Treasuries of the dues and emoluments appertaining to local authority previous to the establishment of what is styled the foreign Custom-house, than an actual requirement for additional open ports, to be inaugurated by the introduction of a foreign Tariff collected by foreign employés, and the concomitant result, viz., the infliction by the local authorities of additional imposts to replace those sent to the Imperial coffers, and an effective resistance to which by our Consuls has proved in many instances nearly impossible.

5. But while such are our views, we respectfully urge that, if found to be impracticable, the following ports should at once be thrown open to foreign enterprise, which necessitating the establishment of a Custom-house, would at the same time cause the equality in duties so much required, or, at all events, not leave the open ports under the manifest disadvantages they now labour.

These ports are:—

Tong-vau, a walled town of considerable importance in Fokien;

Chana, the port of Wong-kong;

Wong-kong, a considerable port of import and export in Kwang-tung;

Chun-lim and Tang-len, whence tea is exported at an export duty of 3 mace 2 candarines per picul;

Hai-meng, Sing-tsai, and Kup-chi, marts for the import of sugar, as well as for imports;

Ou-ming and Hai-hong, chiefly for imports, by which large quantities of opium are annually introduced into the consuming districts of this neighbourhood through Hwei-chu-foo, the former residence of the Taoutae of Chao-chou;

Che-long, also a port for the introduction of opium to this neighbourhood:

Outé, in Namoa.

Or, if these be considered too numerous, Tong-vau, Kup-chi, and Hai-hong might meet the requirements of the case.

6. We respectfully deprecate the proposed injunctions against the navigation of inland waters by steamers.

We have, &c.

(Signed) BRADLEY AND Co.

No. 94.

Consul Medhurst to the Earl of Clarendon.—(Received April 19.)

My Lord, *Shanghae, February 24, 1869.*

I HAVE the honour to inclose, for your Lordship's information, copy of my despatch of the 22nd instant to the address of his Excellency Sir Rutherford Alcock, K.C.B., forwarding a letter from Dr. D. J. Macgowan, on telegraphy in China.

I have, &c.

(Signed) W. H. MEDHURST.

Inclosure 1 in No. 94.

Consul Medhurst to Sir R. Alcock.

Sir, *Shanghae, February 22, 1869.*

I HAVE the honour to submit herewith, in connection with the general question of Treaty revision, copy of a letter, with its inclosure, which I have received from Dr. D. J. Macgowan, an American gentleman, advocating the expediency of continuing to press upon the attention of the Chinese Government the uses and benefits of telegraphy.

The name of Dr. Macgowan is too well known in connection with telegraphy in China and the East to need any introduction on my part.

Your, &c.

(Signed) W. H. MEDHURST.

Inclosure 2 in No. 94.

Dr. Macgowan to Consul Medhurst.

Sir, *Shanghae, February 19, 1869.*

IN consequence of the conversation that I had with you regarding Her Britannic Majesty's Minister's invitation for expressions of individual opinions on the proposed revision of the Treaty of Tien-tsin, I addressed a communication to the United States' Minister at Peking on one of the subjects now under discussion, a copy of which I beg to inclose for transmission to his Excellency Sir Rutherford Alcock, should you see fit to do so.

I have, &c.

(Signed) J. D. MACGOWAN.

Inclosure 3 in No. 94.

Dr. Macgowan to Mr. Seward.

Sir,

AS Mr. W. H. Medhurst, Her Britannic Majesty's Consul at this port, issued under instructions from his Excellency Sir Rutherford Alcock, British Minister to Peking, an invitation for expression of individual opinions, and tender of suggestions on matters concerning negotiations now pending for revising the Treaty of Tien-tsin, I assume that the views of American citizens on the same subject will not prove unacceptable to the United States' Minister.

I beg, therefore, to be allowed again to urge, that the claims of the telegraphic enterprise may at this opportune moment be submitted to the reconsideration of the Chinese Government. I am the more desirous of addressing his Excellency J. Ross Browne in relation to the electric telegraph, as that subject does not seem to have attracted attention commensurate with its importance, in the communications which have been addressed to the British Minister on the needs of foreign commerce in China.

You are aware that, as Commissioner of the East India Telegraph Company, I petitioned the Chinese Government through several Viceroys, for telegraphic privileges in behalf of that Corporation; and also that although I was favoured with the support of foreign Legations at Peking, the desired concession was not granted. Since that time, however, the Imperial Government has in various ways exhibited its appreciation of recent

scientific discoveries, and has manifested an unexpected disposition to cultivate friendly relations with foreign Governments.

These facts seem to justify the hope that, in revising terms of comity with Her Britannic Majesty's Plenipotentiary, they will not be unwilling to reconsider the claims of an improvement which must prove conducive to the interests of China, and which is well-nigh indispensable to the foreigner, whether diplomatic or mercantile.

There is reason to believe that the reluctance of the Imperial authorities to consent to the construction of telegraphic lines is mainly because it is an agent of too great power to be safely committed to foreigners; but as the project of obtaining a concession of this kind has been abandoned, there remains no longer an insuperable objection to the introduction of electricity as a mode of intercommunication. The telegraph need not augment the number or influence of foreigners in the land, nor is it obnoxious to the charge of throwing persons out of employment, nor of disturbing graves, nor of seriously offending popular belief in geomancy. The ownership, construction, working, and profits of the lines, might all pertain to the Government; and yet foreigners, nevertheless, obtain all needful telegraphic facilities. Moreover, telegraphy can be readily introduced into China, without the necessity of a foreigner appearing beyond the precincts of the Treaty ports; and, as I have demonstrated, the myriads of Chinese characters can be easily transmitted by the ordinary telegraph, the same apparatus being applicable alike to alphabetic and ideographic writing—the autographic method has not yet fulfilled its early promise of superseding the one in general use. Already telegraphy has been brought to the portals of China; but messages that are sent from America and Europe to the foreign Legations at Peking, and to the mercantile houses at the open ports, are intercepted at the frontier, and their value greatly impaired by delays incident to their further transmission, which, under the present system amount to fifteen days, often more, from Kiachta to the port, and which in winter is wholly suspended.

When we consider that, of the seventeen days that are required to convey a message from London to Shanghae, fifteen are consumed in traversing the gap in the line of communication, the unreasonableness of this thwarting the needs of diplomacy must be apparent to the Imperial Cabinet itself.

The exclusive policy which subjects foreigners to so great an inconvenience, being entirely incongruous with the profession of a desire to cultivate friendly intercourse through the Embassy to the Treaty Powers, we have a right to expect a speedy abandonment of all needless restrictions to the extent at least of allowing the Trans-Mongolian line to be extended from Kiachta to the capital of the Empire.

It is safe to affirm that a line from Peking to the Russian frontier will not be long in operation before the advantages that must accrue to the Chinese from its extension to the provinces and ports will be so obvious that they themselves will hasten its extension in every direction, and thereby contribute to the peace and prosperity of the Empire,—a consummation to be desired by foreign not less than native interest. Let telegraphy be considered by the Peking Government apart from the other demands that are being made upon them, and it cannot fail to obtain their approval. I am aware that Western Representatives at Peking have not unfrequently represented to Chinese statesmen the desirability of introducing into the country all those appliances which are adapted to develop its resources, and that the value of the electric telegraph was not forgotten; but as misapprehension still exists amongst the Chinese on the subject, it is possible that the opinions herein expressed may not be without use at the present juncture, and are, therefore, deferentially submitted. In conclusion, it may be proper to add that foreign merchants at this port are ready to advance requisite funds for constructing telegraphic lines for the Chinese Government on equitable terms.

I have, &c.
(Signed) D. J. MACGOWAN.

No. 95.

Vice-Consul Gregory to Mr. Hammond.—(*Received April* 23.)

Sir; *Tamsuy, February* 21, 1869.

I HAVE the honour to inclose copies of—

1. A letter received by me from Messrs. Dodd and Co., dated 6th instant;
2. A despatch from myself to Her Majesty's Minister at Peking of this day's date.

Both having reference to the subject of subsidiary ports in China.

I have, &c.
(Signed) WM. GREGORY.

Inclosure 1 in No. 95.

Vice-Consul Gregory to Sir R. Alcock.

Sir, *Tamsuy, February* 21, 1869.

IN reference to your Excellency's despatch to Her Majesty's Consul at Amoy, dated 11th December, 1868 (a printed copy of which having been received by me from Shanghae, has been circulated at this port), I have now the honour to inclose copy of a letter received from Messrs. Dodd and Co., of this port, on the subject of subsidiary ports, &c.

I may probably receive a communication on the subject from another mercantile house, in which case I will write to your Excellency again. In the meantime, I observe that there was formerly a considerable use of subsidiary ports in Formosa by European vessels going there by special permission. Ten or twelve such visits were made by two British vessels (a small steamer and a schooner), reporting at this office during the twelve-month ending the 31st March, 1865. The practice was mentioned in my commercial Report for 1864 (addressed to Mr. Swinhoe under date 17th April, 1865). Its discontinuance was reported, and further remarks on the subject were made in my despatch to Mr. Wade of 10th of July. 1865, in reply to which I received Mr. Wade's instructions in despatch of 14th August, 1865.

Your, &c.
(Signed) WM. GREGORY.

Inclosure 2 in No. 95.

Messrs. Dodd and Co. to Vice-Consul Gregory.

Sir, *Tamsuy, February* 6, 1869.

WE beg to acknowledge the receipt of your communication (under the form of a Circular) handing us the printed copy of his Excellency Sir Rutherford Alcock's despatch, with reference to the opening of subsidiary ports on the coast of China for the purpose of foreign trade.

The almost total want of suitable anchorages for foreign vessels on the coast of Formosa, beyond the harbours of Tamsuy and Kelung in the north, and Takao and Tai-wan-foo in the south, precludes the advisability of placing Consular Agents and Customs officials in the smaller inlets of the coast which are more suitable for native craft than for foreign. We are led to believe that the port of Kelung will soon be independent of Tamsuy, and that vessels will be cleared there without the tedious and unnecessary delay occasioned by having to clear at Tamsuy. The inland waters are so few, and navigable for such short distances, that it becomes imperative for merchants to risk the carriage of most of the produce overland, although the same might easily be brought round from the adjacent inlets above referred to, in foreign or native cargo-boats.

The benefit of such a step would be very great, and we presume arrangements might be made with the Customs, under bond or otherwise, that such cargo-boats should return to the point of departure unless, indeed, they were driven down the coast by unforeseen accidents. The towns of Teuk-cham, Owlan, Sawo Bay, and Capsulan, offer many inducements for foreign trade, but we cannot recommend their being opened as ports at which Customs or Consular officials might reside.

We are, &c.
(Signed) DODD AND Co.

No. 96.

Sir R. Alcock to the Earl of Clarendon.—(Received May 1.)

My Lord, *Peking, March* 1, 1869.

YOUR Lordship will have already received direct from the Consul at Shanghae the answer of the Chamber of Commerce, together with that of one or two individuals, to my demand for additional information as to the views of the mercantile communities in China in reference to the opening of more ports on the coasts and places on the Yang-tsze for the landing and shipping of goods, &c.

I have little to add on this subject, and that of inland residence, which the Chamber again presses upon the attention of Her Majesty's Government.

The inclosed article from the "North China Daily News" gives a good summary of the arguments of the Chamber in favour of the extension of our trade into the heart of Szechuen, up the Yang-tsze as far as Chung-king, both as a centre from which foreign goods might be distributed through large districts from which they are at present excluded, and an important advance on the road to India and Central Asia.

Inland steam navigation is again insisted upon as an essential condition of any great extension of trade, and its prohibition, as was to be expected, is strongly objected to.

A similar urgency of appeal in favour of the working of coal mines by foreign capital and steam machinery will be observed. But there is nothing new in the arguments, and the whole subject has, I think, been exhausted in my previous despatches. The obstacles hitherto encountered in all these directions are fully before Her Majesty's Government, and it remains for their consideration what course shall be pursued in relation thereto.

I have, &c.
(Signed) RUTHERFORD ALCOCK.

Inclosure in No. 96.

Extract from the "North China Daily News" of February 11, 1869.

AMONGST the many excellent counsels which the letter addressed by the Shanghae Chamber of Commerce to Sir Rutherford Alcock contains, one recommendation stands pre-eminent. The mercantile community are wise in the truest sense when they take up the list of inland marts where the Minister leaves off, and point attention to the vast productive and commercial region of Szechuen, from which foreign trade is almost entirely cut off. It is difficult to realize or to over-estimate the importance of this renowned province. It is, we need scarcely remind our readers, the largest of the eighteen into which China is divided, and is rich in almost every way in which a country can be wealthy. Its natural advantages are worthy of special note, and we are ready to put up with the charge of repetition, if we succeed in awakening public attention to the paramount importance of opening this part of China.

It is watered, as its name implies, by "four streams." The Yahlung in the west, the Min in the centre, the Kialing near Hupeh, claim notice, for all these are considerable rivers, though they are merely affluents of the great stream, the Yang-tsze, which flows through its south-eastern part. The natural productions of Szechuen are of the most varied character. Grain in abundance is cultivated in the large plain that surrounds the capital. The staples of China—"the leaf" and "the worm"—are found here, as all are well aware; the supply of peltry is considerable, and the metals that the earth yields are abundant and various. The climate is very healthy, and were the Government strong and efficient no more fortunate region could well be found in the Middle Kingdom. But the old cry of oppression and misrule is raised even here; to adopt the bold figure of a Chinese poet, "the four streams are augmented by the tear-floods of the inhabitants." There is an element of disturbance, too, in the ramifications of Mahomedanism which extend into Szechuen from the adjacent provinces of Yunan and Kansuh; and it is quite possible the Chinese may advance this as a reason why foreigners should be excluded. But it is really, if anything, rather an argument in their favour. Our presence may sometimes provoke disturbance in the quarters where we have settled, owing to certain actions exciting temporary irritation; but it cannot be questioned that, in the main, the settlement of Western folk secures peace and quiet. Shanghae is a strong illustration in point. Fruitful sources of iritation and rancour of course remain in the neighbourhood of the Treaty ports, as elsewhere; but institutions like the Mixed Court, and systems so comprehensive and unimpeachable as the Foreign Inspectorate of Customs, have some influence. Their open and straightforward dealing must tend to restrain the eccentricities of officials in their neighbourhood, by mere force of contrast. And we may hope that the opening of a large and important place like Chung-king would not be wholly fruitless in that part of the province of Szechuen in which the town is situated. Taking into consideration other, and strictly speaking foreign, interests, it is of the highest importance that Chung-king should be opened at the earliest opportunity. This place far transcends in commercial consequence I-chang or the other ports named. It is superb in its situation, being located in the heart of a fertile and productive country. It could not, by any chance or remote possibility, interfere at all with Hankow. On the contrary, its opening would probably tend to increase the importance of the latter as a commercial centre. It commands, as we are reminded in the Memorial, "the vast commercial channels of Kweichang, Yun-nan, and of Kansuh; it circulates in every direction foreign goods of various kinds—silver,

gold, copper, tin, lead, coal, wax, silk, and hemp—and is a purely commercial town, containing half-a-million of people." Surely it behoves the mercantile world to agitate until so important a mart be opened to their trade. That it would entail expense, and time and trouble to do so, we are well aware; but the prospective results of the undertaking would justify any expenditure, and repay any amount of energetic action.

The Chamber wants to go further, and to use measures to secure, if possible, the opening of Bathang. This is a frontier town which would be "eminently desirable as a station or town that should be free to foreigners to reside in, having in view its ultimately being on the highway to India, from which it is distant only ten days' journey; and further, considering the importance Her Majesty's Government have lately attached to the opening of a route to Central Asia in that direction." As a subsequent measure this may probably become advisable. But the importance of Bathang is still prospective. We must not, by demanding too much, risk the loss of all. It is well to concentrate our efforts on an attempt to secure ends, the advantage of which are unquestioned; and so we should counsel that subordinate claims be waived, if we can secure Chung-king.

No. 97.

Count Bernstorff to the Earl of Clarendon.—(*Received May* 6.)

(Translation.)

My Lord, *Prussia House, May* 3, 1869.

AS the Royal British Envoy at Peking, Sir Rutherford Alcock, has informed his colleagues by a letter addressed to the Dean of the Diplomatic Corps there, the negotiations which have been going on for a long time between the British Legation and the Chinese Government, for the revision of the Commercial Treaty of the year 1858, between Great Britain and China, were brought to a preliminary conclusion by draft arrangement of points on the 8th of December, 1868.

In consequence of this information, the Envoy of the North German Confederation at Peking, Baron von Rehfues, has transmitted to the Chancellor of the Confederation the draft in question, which was communicated to him at the same time, and which the Chancellor has in turn communicated to the German merchants familiar with the Chinese trade, for the expression of their opinion thereon.

According to the remarks of these competent judges, a copy of which is inclosed herewith, the provisions of the First Article of the settled points appear to give rise to divers scruples. In accordance with this Article, namely, the inland duties hitherto levied, contrary to Treaty, under the name of "lekin taxes," on goods taken into the interior of China, are indeed to be set aside; and instead of them there is to be levied for the future a duty of $2\frac{1}{2}$ per cent. on the value of all imported goods, even those intended for consumption in the ports. By this, however, an additional burden would be imposed on importation, inasmuch as at the present time the goods consumed in the ports are by Treaty subject to no other tax than the entrance dues.

Although the advantages which are to be expected for trade in general from the abolition of the "lekin taxes" would not be too dearly bought by this extension of the transit-duty to all commodities, yet, on the other hand, the Treaty Powers certainly have the right of demanding the abolition of the taxes levied contrary to Treaty, even without giving anything in return, and they might probably obtain this result by common action. And then it appears, from existing circumstances in China, moreover exceedingly questionable whether this tax, even if abolished by Imperial Edict in consequence of a Treaty, would not nevertheless still be levied by the Mandarins, although perhaps in another shape, since now indeed they have their assignments thereon.

No less worthy of consideration are the remarks which the German merchants append to Article V of the draft. However desirable the reduction of the Tariff, held out in that Article, might certainly be in general, although it is only in favour of but few goods; yet, on the other hand, the condition appended thereto seems to justify the apprehension, that if ever the negotiations are opened, an oblique path will be entered upon, at the end of which lies a revised Tariff, leaving nothing but detriment to European trade.

Now, in regard to the concessions on the part of the Chinese in this draft, they are in general but of secondary value, as the Chinese Government in the great questions of navigation and settlement in the interior, as well as of the opening of mines, has adhered essentially to its former denials; the sparing concessions made in these respects are, moreover, by the peculiar organization of the Chinese administration, again for the most part dependent on the good-will—unfortunately non-existent—of the national authorities

who have the execution of them, and who, by passive resistance, or by shifts, know how to paralyze any measure that is disagreeable to them, only giving way to the united pressure of the Treaty Powers.

Under these circumstances, it may perhaps be a question whether it would be well to enter upon the revision of the Treaty of Tien-tsin on the basis of 8th December. The agreements here in question, made for the purpose of altering that Treaty, certainly affect chiefly the two Contracting Parties only. In regard to this then, the Diplomatic Corps at Peking, and especially the Envoy of the North German Confederation there, has not been directly concerned in these negotiations; indeed, the latter has taken occasion to preserve expressly to the Zollverein the Treaty right of claiming from the Chinese Government a revision of the Treaty of 2nd September, 1861, on its part also, at the expiration of the term fixed in that Treaty.

From the conviction that the interests of all European Powers in Eastern Asia are more or less jointly connected, the Chancellor of the Confederation had, however, in due time, directed the Baron von Rehfues at Peking to give all possible support to the British Envoy in the negotiations for the revision of the Treaty of Tien-tsin, in all questions affecting the European Powers in common.

From the point of view only of the community of European interests, I am therefore directed to bring the accompanying remarks confidentially to the knowledge of the Royal British Government.

Whilst I shall be much obliged to your Excellency for the favour of an answer hereon before long, I have, &c.

(Signed) BERNSTORFF.

Inclosure 1 in No. 97.

Sir R. Alcock to M. Vlangaly, December 7, 1868.

[See Inclosure 1 in No. 79.]

Inclosure 2 in No. 97.

Bases of Revision of the Treaty of Tien-tsin, accepted by the Chinese Government, Peking, December 8, 1868.

[See p. 189.]

Inclosure 3 in No. 97.

Remarks by German Merchants on the Bases of Revision of the Treaty of Tien-tsin, accepted by the Chinese Government, December 8, 1868.

(Translation.)

I.—1. AS the first, so this Article is now the most important of the whole agreement and though the abolition of all the transit dues and so-called lekin taxes appears to be very dearly paid for by a fixed and general duty of 2½ per cent. on all imports, yet by the abolition of those dues, so specially burdensome and obstructive from the arbitrariness and irregularity with which they are levied, trade in general would obtain many and even corresponding advantages, if it might be assumed that the old dues could be put an end to for ever even by an Imperial Edict. That however according to the opinions of those well acquainted with the circumstances, is by no means to be reckoned on, and even the most persevering and rigid control on the part of the foreign Embassies and Consuls will not be sufficient to prevent the levy of such dues. Hitherto the Mandarins in the interior have been partly, or perhaps for the most part, referred to those lekin taxes for the payment of their current and necessary expenses, and if they do not, which however, is much to be doubted, immediately on the issue of such an Edict, and subsequently, receive orders on the duty officers of the coast places as a compensation for those dues, they will be but too ingenious in finding still new pretexts and new names under which to levy such dues on foreign goods; or if, by much energy and perseverance they should at last be prevented from doing so, they will levy them from the Chinese tradespeople who deal in foreign goods, and the concession of this transit duty will but be the means of adding a new imposition of 2½ per cent. to the present charges, to be paid exclusively by the foreigner.

It is to be hoped that by the so-called new duty of 2½ per cent. only half the present fixed duties is meant, as is, indeed, expressly said in the 7th of the trade stipulations both the English Treaty of 1858, and the Prussian Treaty of 1861, not only would general transit duty of 2½ per cent. *ad valorem* lead to endless differences and disputes, but the imports would also be charged with more than half the present duties, as with the present by no means extremely high prices, the duties on most of the articles of importation, and especially upon nearly all woollen goods, only amount to between 3 and 4½ per cent. of the value, to which certainly there is to be added the difference between a sycee in which the duties are to be paid and the customary sycee of the various places, and which in Shanghae, for instance, amounts to 1½ per cent., therefore more than ½ per cent. duty on the value of the goods. This difference in the sycee will, however, hardly be considered in the new transit duty of 2½ per cent., and the Chinese Government will undoubtedly try to levy the 2½ per cent. in pure sycee of the value in Shanghae or other sycee, and thereby actually raise the duty to over 2¾ per cent, reckoning value for value.

At all events, a great additional burden on the import trade will be occasioned by making all imported goods pay this 2½ per cent. in future, while hitherto only the goods going into the interior from the ports of entry have been subject to this transit duty of 2½ per cent., or properly speaking, as stated above, to half the fixed importation dues.

2. In this paragraph it is clearly repeated that all ship and domestic stores for the use of foreigners are to be duty free; which provision is moreover already to be found in the second trade stipulation of both the before-mentioned Treaties where these articles are described as duty free.

3, 4. Although the establishment of bonded warehouses is indeed desired on many sides, these two concessions appear of no great importance, though still acceptable.

5. As those twelve Articles are not specified, the value of the reduction of duty thereon to trade in general, and to German trade in particular, cannot be estimated; but it is quite certain that any advantage arising from that reduction would be quite illusory and be converted into a disadvantage for foreign trade, if by such an abatement or some articles fixed rather too high a handle should be given to the Yamên for the revision of whole Tariff, and on that basis to raise all import duties, which, as already stated in 1, at their present value for the most part amount to 5 per cent. As the English Government will certainly not consent to the doubling of the duties on tea, silk, and opium, it is very much to be feared that the Chinese Government, so soon as it learns this refusal, will obstinately persist in the introduction of an import Tariff founded on an *ad valorem* duty of 5 per cent. But just as obstinately then should such pretensions be resisted by the English Government and the other Treaty Powers.

6. This paragraph is only of local importance.

7. If the Chinese Government had any intention of making sacrifices at all corresponding with the concessions which it has required, and which it is in the fairest way of getting from the English Government, the opportunity of doing so might be afforded by the proposal that all duties should in future be paid in the sycee of the place where they have to be discharged; thus at Shanghae, in Shanghae sycee; at Hankow, in Hankow sycee, and so forth. Thereby not only would all duties be reduced from 6 to 12 per cent. for foreigners, but the accounts would be exceedingly simplified, and the Chinese Government would moreover not even lose all that foreigners saved, for of the difference between pure, or Haikwan sycee, in which the duties have hitherto had to be paid, and the sycee of the various places, something, and perhaps even not an unimportant part, remains in the hands of the "shroffs," money-changers, and inland bankers. But even if the Chinese Government were obliged to sacrifice the whole difference, that sacrifice would be richly counterbalanced by the concession of the 2½ per cent. transit dues on all imports, for it must be again and again pointed out that the expectation of doing away with all inland dues upon foreign goods will, in spite of the most binding Treaty stipulations, most likely turn out to be delusive.

II.—8, 9. Although in regard to the enormous extension of the trade with China since the opening of many ports, it cannot be said that this distribution of business affords no great advantage, yet too much splitting up thereof may also have its disadvantages; but, at all events, the advantages are as much on the side of the Chinese as of the foreigners and such concessions cannot, therefore, be looked upon as equivalent to other concessions on the part of the foreigners.

10. This concession also will be of equal benefit to both sides, especially if the Chinese thereby become acquainted with the advantages and superiorities of railways.

11. So long as the right is restricted to sailing-ships, this stipulation will be of subordinate value; but it may become very important if the Chinese would be allowed by their Mandarins to possess steamboats themselves, and to employ them on the inland

waters, in which case they, and with them also foreigners, would soon avail themselves of the permission. It is very desirable that care should be taken to prevent the Chinese Government from prohibiting its own subjects from the use of steamboats for the said purpose.

12. From the restriction to a steam-tug, this paragraph can be but of little value.

13. The adoption of a European commercial code on the part of the Chinese will certainly be a great advance, but will encounter many difficulties yet before it is accomplished.

14. A similar Proclamation, certainly without the right of hiring storehouses, was, as far as recollection goes, also issued at the conclusion of the English Treaty of 1858 without having removed many obstacles met with by European travellers.

No. 98.

Sir R. Alcock to the Earl of Clarendon.—(Received May 7.)

(Extract.) *Peking, February 27, 1869.*

BETWEEN the anxious desire to obtain all that could be considered essential to the free development and extension of trade, and the daily evidence of the impracticability of success with those in whose hands the Government of the Empire is vested at present, I have had much difficulty in steering towards any definite end. In the Memorandum communicated to my colleagues now more than a year ago, after passing in review the leading conditions of internal administration and the external relations of the Empire, I came to the conclusion that the present time was inopportune for any great changes or innovations, without which no really effective revision could take place. The impersonal and, to a great degree, irresponsible character of the governing powers during the minority of the Emperor makes any effort to secure the material alterations in existing Treaties of necessity all but hopeless. It needed not any further obstacle, therefore, "such as the signature of the "Additional Articles" at Washington or the Taiwan and Yang-chow disturbances, to make it quite so.

Whether due execution could be secured of the stipulation of the Treaty which provides for the exemption of all articles imported or exported by British subjects in their passage through the provinces, from any but a fixed transit duty of 2½ per cent., was the one question of paramount importance in all these preliminary negotiations. On the possibility of this end being secured depends the practical value of any revision or of any changes that may be effected.

Steam navigation, roads, and telegraphic lines, inland residence, and the working of mines, would all be valuable concessions in themselves and material aids to the development of trade in the interior. They would improve the resources of the country and tend greatly to diminish both the cost of transport and causes of delay. But if the first end, of exemption from extra taxation, could be obtained without their aid, it would be difficult to show that any one, or all of them together, were essential to the prosperity and extension of trade. It is the doubt how far the free transit of all articles of foreign import and export can possibly be secured without steam navigation and railroads, that gives to the latter their chief importance.

A compulsory payment of 2½ per cent., to be made through the Maritime Customs at the port, and not in the interior, at the option of the importer, has been proposed.

The chief doubt I have rests on articles for the export trade, consisting of native produce; and the difficulty likely to be experienced lies quite as much with the foreign merchant as with the Chinese officials.

It was foreseeing the result of any negotiations which might be entered upon at this time that I wrote my Memorandum of November 1867 for my colleagues, and endeavoured to elicit their opinion as to the opportuneness of any serious effort at revision during the minority of the Emperor.

But it does not follow that His Majesty's Government should be satisfied with what may seem a comparatively barren result, or be content to accept it without seeking to obtain something better, either by resorting to other means than those I was authorized to employ, or by determining to continue negotiations until success is secured.

In this point of view I endeavoured to supply what further materials of judgment might be available in my despatch of the 23rd of December last, in which I recapitulated whatever seemed to bear most weight in favour of a more progressive policy, which, under the circumstances, could hardly fail to be aggressive also. At the same time I showed

what might be urged by the advocates of a more quiescent and tolerant course. Nor is it possible to disguise the fact that these two parties are brought face to face at the point at which the negotiations for a revision of the Treaty have been reached. There is a trade of 100,000,000*l.* in imports and exports to the far East at stake, nearly all British trade. And Great Britain has, in addition, a further large interest involved, both in the Indian and British revenue, resulting from duties on opium and tea. Trade and revenue both may be either greatly benefited or considerably injured by the course which may be adopted.

In the difficulty of convincing the Chinese of the necessity of moving faster in the direction favourable to our interests, will Her Majesty's Government be satisfied with the small instalments offered—the mere initiatory steps of progress as it were, or take the means which may seem needful, either singly or in concert with other Powers, to extort concessions of a larger scope than any which will be granted voluntarily?

This seems to me to be the question now before Her Majesty's Government, and waiting an answer. The first and the most important question, because everything must depend on the answer it receives..

There will probably be now, as heretofore, a divided opinion in Parliament and elsewhere as to the policy to be adopted in relation to Chinese affairs.

Of an aggressive policy the Chambers of Commerce and mercantile communities in China stand forward as the representatives and advocates. In their several Memorials, and in the columns of the local press, they have given forth no uncertain note. Indeed, to the hostile and uncompromising tone adopted has been attributed, with some appearance of probability, the sudden resolve on the part of the Chinese Government to send a Diplomatic Mission to the Western Powers. If this be true, the action of the United States' Government in formally disclaiming all right to press internal reforms or innovations on China, is a result which the Memorialists could hardly have anticipated as the first fruits of their campaign against the Chinese authorities, or possibly they would have been more moderate in their language. Certain it is that the violence with which the Chinese authorities were assailed—and the British Representative at Peking was denounced for his supposed want of vigour and too conciliatory leanings—was calculated to make the Tsungli Yamên look forward to a revision under such conditions with feelings of distrust and repugnance.

It was with the view of counteracting to some extent the effect of these angry manifestoes from the mercantile communities that my Circular of February 17, 1868,* was published, of which a printed copy is inclosed for facility of reference. The anger and impatience with which it was received and daily criticised in the local papers did not help, perhaps, to tranquillize the minds of the Chinese authorities; but it had undoubtedly the result which I principally desired. It disengaged the responsibility of Her Majesty's Government, both as to the language and the demands of those who denounced the Government with which we were about to treat, and at the same time showed I was in no way disposed to enter into the negotiations for a revision in any spirit of uncompromising hostility, but for the promotion of commerce and amity on a principle of reciprocity and mutual advantage. And in that spirit the whole of the negotiations have been conducted to the present time, with perfect good temper on both sides.

Whether what has been so far obtained may be taken as indicating the limit of what might have been secured under more favourable circumstances, or may still be obtained, during the minority of the Emperor, by continued effort and perseverance, are questions of great interest and importance.

As to the first, I think the present results can hardly be taken as a fair guage of what might have been gained, probably with less effort and difficulty, under more favourable conditions. If the Emperor had not been a minor—weakening all the springs of Government, and shortening the hands of those who only temporarily administer in his name, as well as indisposing their minds to any great hazards or new responsibilities, no doubt much might have been granted which has now been refused.

If, even with the disadvantage of a Regency, the Prince of Kung and other influential members of the governing body had felt less uncertain as to the effect of the Chinese Mission to Europe, and its influence to induce foreign Powers to acquiesce in a policy or forbearance,—the main object, I believe, of the Mission,—there would, I doubt not, have been less unwillingness to move forward. This feeling of uncertainty, in the first instance, and, after the arrival of the Mission at Washington, the hopes which the signature of the Additional Articles was calculated to excite, undoubtedly exercised a very prejudicial effect on my efforts to secure a wider basis of revision than the removal of some grievances and the granting of a few additional facilities for trade.

Under the circumstances, I think it is not impossible the Ministers might have

* See Inclosure 1 in No. 51.

allowed their hand to be forced without too much resistance, in so far as regarded a beginning of railroads, of inland steam navigation, and the working of coal mines. But with Mr. Burlingame's enthusiastic reception in the United States, and the prompt signature of the Convention by which the United States' Government pledged itself to leave China free to adopt or reject all such innovations or internal improvements, and even to use their influence with other Powers for the same end, they gained precisely the assurance they wanted, and with it new hopes and powers of resistance. They saw a prospect of their Mission being entirely successful in relieving them from all further pressure or risk of molestation on the part of Western Powers; and from that moment further progress or successful negotiation for that end became impossible. The expectation of a possible cessation of all demands had a natural tendency to paralyze all action.

In the meantime it cannot be supposed that the other Treaty Powers will follow the example of the United States, or be disposed to endorse the "Additional Articles." Their principle of absolute inaction and abnegation can scarcely be accepted. And it will be important to ascertain how far Mr. Burlingame may think it his duty to give a detailed and accurate report of the conversations with foreign Ministers, and the reception his various representations to them meet. Hitherto, as regards any official intercourse he may have had with Her Majesty's Principal Secretary of State for Foreign Affairs, I believe no such report has been received in Peking. If this duty be faithfully performed (and I can conceive none more imperative), much good may be anticipated as the result. The Chinese Mission could do no greater injury to the Government it represents, I conceive, than by failing to keep them well informed. What Chinese Rulers require above all things is to be enlightened as to the interests and wants of foreign States in relation with China. A full knowledge, derived from sources of their own, as to the sentiments and views of the Great Powers, especially when these are opposed to a retrograde or obstructive policy, might do more to remove obstacles to progress than all the representations and efforts of the foreign Legations at Peking.

Failing this, there is an amount of conservatism, founded on old tradition, and nurtured by the strongest convictions of the national mind, of a retrospective and wholly retrograde tendency, that creates insuperable obstacles to rapid progress or any advance forward. All innovations on old customs, or great changes in their habits and modes of living, are repugnant to the popular habits of thought and aspirations. They are opposed to the doctrines of their ancient teachers and sages from Confucius downwards. We generally attribute all obstructiveness to the officials—the literati and gentry—because we come more directly in contact with them, and they are always in the front rank of any resisting forces. But, setting aside the fact that these collectively represent the whole governing class and every educated man in the country, and as such are a great power, they do but give form and expression to what constitutes the popular faith in the excellence of their own systems, their immeasurable superiority over all outside people, and the inapplicability of foreign notions and inventions to China and the Chinese.

Hence the strength of the official classes in resisting foreign attempts at innovation, and the immovability of the Foreign Board when we talk to them of railroads and telegraphs, and the benefits European science could bestow if allowed free play. Even in so simple and obvious a matter as the development of wealth and advantage to trade of working coal mines, a very reluctant and qualified assent is all that could be obtained. They do not believe in the wonder-working powers of steam and machinery directed by the skill and science of Europeans; and were they better satisfied of their existence, they would still be equally averse to convert the "flowery land" into a field for European enterprise, and the restless energy of a foreign race overturning everything essentially Chinese, and taking possession of the land for themselves and their idol Progress, to the angry bewilderment of the spirits of their ancestors, and the destruction of their time-honoured ancestral worship. In this state of mind they will neither make any voluntary concession of privileges for the introduction of railroads, telegraphs, and steamers, into the heart of the country, nor yield to any suggestions of necessity and ultimate benefit. They will neither take the initiative themselves nor permit it to be taken by others.

To merchants impatient for the extension of their trade, and missionaries eager for the prompt conversion of the heathen, no less than to European Governments who wish so vast a field for the development of commerce to be open to their subjects, all this is no doubt very irritating and discouraging. But it is not, as is commonly assumed, something altogether Chinese and peculiar to the race. We have only to look back over the whole range of Western States, in the Old and the New World, to see the counterpart in all its leading features, and that full of life and vigour not thirty years ago.

Within a generation greater changes than are desired in China have taken place in

Europe and America, chiefly by the introduction of steam and electric power, and in a generation more all obstacles may be removed here too, if right means are taken. But will this satisfy progressive nations and eager merchants? Everything has moved faster than it did thirty years ago, and people accustomed to express trains do not brook with patience the slower pace that contented their fathers. The Chinese are yet where they were fifty years ago, and have no desire to move faster. The hot haste and turmoil in which foreign nations pass their lives is to them something more than folly. It is hateful and utterly repugnant to that desire for rest and leisure, peace, and contentment, which is their ideal of happiness and wisdom. They hate and condemn our spirit of unrest, and all the more from their contempt for foreign progress and mushroom nationalities, their scorn of utilitarian pursuits, and the philosophy which makes them seek the best elements of life in rest and contemplation.

They may be altogether wrong in their philosophy, as in their policy, but they refuse to change their views for the pleasure or advantage of the foreigners, and object to be driven out of their old ways and habits of life. What is to be done in these circumstances?

There seem to be three courses, and only three, at this conjuncture:—

To accept such increased facilities for trade and instalments of progress as are now offered, as the result of a revision, and make the best use of them as stepping-stones in the right direction, and means to a further end;

To decline and resort to other means for enforcing larger demands;

To refuse the concessions proposed, as being insufficient for the purposes of a satisfactory revision; and either defer further action until the Emperor's majority is declared, reserving our rights in the meanwhile, or simply persevere in pacific efforts to obtain something better, protracting the negotiations until they are successful, or the period specified shall arrive.

Either the first or the last avoids a recourse to force or coercion in any shape. In 1870, the French will be in the field of revision; and, though they have no great commercial interests, they have large sympathies with missionary objects, and enough national pride to make them exigent negotiators. In 1872, the Northern Confederation of Germany, with Prussia at its head, will also have a right of revision. And within that period, it is probable, also, the Emperor will have attained his majority and taken the reins of Government. Three Great Treaty Powers combined, and a responsible ruler to treat with, may give the conditions most favourable for an effective revision, if none should arise in the interval by which we could profit, and for the larger concessions which now seem wholly unattainable by any peaceful efforts.

I think the choice should lie between these two, to the exclusion of the third. And the last on the list will probably be the most advantageous in the end, although at the price of losing the immediate benefit of such instalments as they are now willing to make, which are not quite so insignificant as has been represented.

On this side will be all who deny on principle our right to make war the advancement of trade, and equally repudiate all right to force either our commerce or our friendship upon unwilling nations. Of such, undoubtedly, are the Chinese. They have neither sought the one nor desired the other. By force only both have been imposed upon them as the conditions of peace, and the existing Treaty is the result. For the first time we are seeking to adjust terms and intercourse of trade upon a basis of reciprocity and mutual advantage, with the free consent of both Contracting Parties. This condition, which excludes dictation on the one side and compulsory submission on the other, must necessarily influence the whole course of negotiations, and, in all probability, the final result.

We need not go back to the question whether we had any right to force our trade upon them. This reversion to first principles could avail nothing now unless to temper our demands for greater facilities. The wrong, if it were a wrong, has been done already, and it cannot, and certainly it will not, be undone. All that the power of Great Britain could effect, if exercised with the full weight of the national will deliberately expressed, could not prevent trade and intercourse with China now. It might ruin all regularized commerce and reduce our foothold to Hong Kong, giving up the intervening waters to pirates and smugglers. We might refuse to recognize any claim to protection for British subjects on the Chinese mainland, or to accept any responsibility for their acts. But there its power would end. A great and legitimate trade would be lost, and a lawless traffic would take its place, with buccaneers and smugglers for its principals, with much national discredit and no possible national benefit.

No. 99.

Consul Mongan to Mr. Hammond.—(*Received May 7.*)

Sir, *Tien-tsin, March* 4, 1869.

HER Britannic Majesty's Consuls in China having been instructed by Sir R. Alcock to ascertain the views of the mercantile communities respecting a proposal made by the Amoy merchants for the opening "of all the principal ports on the coast, not as regular Treaty ports, but as subsidiary to them;" and having also been authorized to forward direct to the Foreign Office a copy of any communication received from merchants upon the subject, I have now the honour to inclose copy of the only answer to a notification which I circulated at this port upon the 9th ultimo, inviting merchants to furnish me, by the 28th ultimo, with a statement or statements of their views upon the above question.

I have, &c.

(Signed) J. MONGAN.

Inclosure in No. 99.

Mr. Henderson to Consul Mongan.

Sir, *Tien-tsin, February* 19, 1869.

WITH reference to your notification of the 9th February, accompanying a printed letter dated the 11th December, 1868, from his Excellency Sir Rutherford Alcock to Consul Pedder, respecting the opening of new ports, and subsidiary ports, I believe the community of Tien-tsin, at their public meeting, were against the opening of more Consular ports. At the same time they were unanimously in favour of having the inland waters open, leading to and from their own ports, with liberty to trade to the same in their own boats.

I am of opinion that, were the rivers and places along the coast opened as in contemplation, all advantage sought for in "subsidiary ports"—in the sense of assistant or auxiliary, or that which contributes aid or additional supplies—would be all that is sought for: in the meantime, were there no unauthorized or unnecessary obstructions or delays put in the way as at present is the case in the interior where goods are purchased, and where, if the direct payment of the squeeze is not made, detention amounting at times to double the direct squeeze is at times inflicted; and were there only one duty payable on the exportation of goods from such places along the coast, I believe it would be of very great advantage to Tien-tsin.

The country to the north-east of Tien-tsin is well watered, and quantities of peas and grain are said to be exported from it; the whole country abounds with coal, small quantities of it being now brought to Tien-tsin, the usual transit duty being paid.

I have reason to believe that before long this part of the coast will be in a position to export coal—say to Che-foo, from the Peh-tang Ho or San Ho, and I should like to see provision made for this as well as for bringing it to Tien-tsin or Taku.

All the mine-owners I have met with both at Chai-tang and San Ho, profess to be anxious to have foreign pumps and machinery introduced into their mines, and I have no doubt that before the next ten years have elapsed, mining here in many places will be carried on in quite a different manner from that now employed, whether the Chinese Government consent to the change or not.

Boats are at present subject to different duties at different places. At some places duty is levied every trip when cargo is on board; at other places every twenty days; sometimes boats are detained at an out-station some twenty li or more distant from the port to which the boatmen have to go and pay duty, thus causing a detention of one or more days, besides giving extra trouble. All boats at present pay duty on the extreme breadth, irrespective of depth or length, and consequently of carrying capacity. A payment on the tonnage of boats in a specified time is the only equitable way of charging a duty, it seems to me.

I remain, &c.

(Signed) JAMES HENDERSON.

No. 100.

Consul Robertson to Mr. Hammond.—(*Received May* 7.)

Sir, *Canton, March* 20, 1869.

UNDER instructions from Sir Rutherford Alcock, I have the honour to forward copy of a despatch addressed by him to Mr. Pedder, Her Majesty's Consul at Amoy, with a copy of the reply of the General Chamber of Commerce of Hong Kong, expressing its views upon the opening of new ports to foreign trade in China, and generally on the subject of Treaty concessions.

Having just received this letter, there is not time to forward a copy of one I shall address to Her Majesty's Minister, inclosing it to him, but I will have the honour to do so by the succeeding mail.

I have, &c.
(Signed) D. B. ROBERTSON.

Inclosure 1 in No. 100.

Sir R. Alcock to Consul Pedder.

Sir, *Peking, December* 11, 1868.

IN the Memorial to my address from the merchants at Amoy, forwarded to me last year, there are two paragraphs, the one relating to the opening of an additional port at Wênchow, and another of much larger scope, proposing the opening "of all the principal ports on the coast," not as regular Treaty ports, but "as subsidiary to them."

From various other sources opinions have been conveyed to me on the part of the mercantile communities in China more or less distinctly deprecating the opening of any more ports on the coast as likely to be productive of expense incommensurate with any advantage to be anticipated.

In this conflict of opinion among those more immediately concerned, there is room for doubt as to the course of action which would best meet the interests of British trade. It seems desirable, therefore, before any revision of the Treaty is actually entered upon, to learn with greater certainty the views of the mercantile communities generally on this subject. And, as regards the Memorialists at Amoy, I have to instruct you to ascertain more precisely what they mean by "subsidiary ports," and to what places on the coast they allude.

I may as well state that, were other differences overcome, I have ascertained, from recent discussions with the Foreign Board at Peking, that the Chinese Government will not voluntarily consent to open any port without stipulating for the residence of Consular Agents, and without themselves placing a Customs establishment at each place.

On the other hand, it is in contemplation to open to foreign boats or vessels, not propelled by steam, all inland waters leading to and from any place within the limits of any Customs district where British merchants may trade, in order to facilitate the transport of foreign goods or foreign-owned produce, and for the better security against unauthorized or unnecessary obstructions and delays. Assuming such a concession to be ultimately agreed upon, it would appear that, under another name, the advantage sought by subsidiary ports, so far as I understand what is meant, would, in effect, be obtained; that is, a privilege which would enable merchants settled at any Treaty port to trade directly with all the places along the coast, or up the rivers, in the vicinity of their own ports, and in boats of their own, which they can build large or small, according to the ascertained requirements of such local trade.

The Amoy Memorialists appear to have contemplated, in connection with the system of subsidiary ports which they propose, that it should be imperative on all vessels going to any of these ports to go to and from the nearest Treaty port, where they would deposit their papers, give bond, take out a special permit, and afterwards return to the same Treaty port to clear out in the usual manner.

I do not see very clearly how such a system of permits and obligations could be carried out without the intervention of a Foreign Customs Establishment and a Consular Agency, one or both at each point of call; and it may, farther, be a question whether any vessel would find it expedient and profitable to go to a subsidiary port which could, very probably, neither take nor give a full cargo, and return direct to the Treaty port at which her papers were left.

On the Yang-tsze, something of the nature of subsidiary ports has been under consideration, so far, at least, as the erection of landing-places at certain points where cargo

and passengers may either be taken up or set down, would supply a means of trade. Yochow, Nganking, Tatung, and Wuhu, have been pointed out as desirable places for such an experiment.

If any new ports were to be opened on the coast, Takushan, Taichow, Wênchow Kipchi, Shiutung, and Pak-hoi have been spoken of as the most eligible; but it is entirely an open question yet, whether any or which of these shall be open in the event of a general revision of Treaty stipulations being determined upon.

These possibilities are here referred to because, as they have already been under discussion, and have now been submitted to Her Majesty's Government for consideration, it would seem desirable that the mercantile communities in China generally should have a farther opportunity of stating their views more specifically, on points of so much importance in their bearing on the final results of any revision.

I shall accordingly forward a copy of this despatch to Her Majesty's Consul at Shanghae, directing him to cummunicate its contents to the Chamber of Commerce there, and otherwise to insure such publicity as will give any members of the mercantile communities in China an opportunity of expressing their opinions and affording information for my own guidance and that of Her Majesty's Government. That there may be no unnecessary delay in communicating the result, you are authorized to forward a copy of any communications you may receive from individual merchants, or any mercantile body at your port, direct to Her Majesty's Secretary of State for Foreign Affairs.

I have, &c.

(Signed) RUTHERFORD ALCOCK.

Inclosure 2 in No. 100.

The Chairman of the Hong Kong General Chamber of Commerce to Consul Robertson.

Hong Kong General Chamber of Commerce,
March 17, 1869.

Sir,

1. IN reply to your communication of the 12th January last, receipt of which I had the honour to acknowledge on the 23rd idem, covering despatch from his Excellency Sir Rutherford Alcock to Her Majesty's Consul Pedder, of Amoy, in which his Excellency invites an expression of opinion from the mercantile communities of China, upon certain points of great importance likely to be raised in the revision of the Treaty of Tien-tsin, I have, on behalf of this Chamber, to express satisfaction that a subject of so much importance as the opening up of the country of China to foreign enterprise is likely so soon to be brought under discussion.

2. The system of subsidiary ports as referred to by the Amoy Memorialists, this Chamber thinks one which, if established upon a satisfactory basis, would be of considerable benefit to foreign trade.

3. His Excellency states that it is in contemplation to open to foreign boats or vessels, not propelled by steam, all inland waters within the limits of any Customs district.

4. While hailing with pleasure any step likely to increase the facilities of direct intercourse with the inland marts of China, the Chamber cannot but express its disappointment and dissatisfaction that the means of communication is to be limited to boats not propelled by steam; such a limitation must nullify, in its opinion, to a great extent, the development of trade and the security to the same which the conveyance of goods in vessels propelled by steam would afford.

5. The Chamber would particularly urge that steamers should be allowed to ply on the West Coast, including Hainan, as far as the Gulf of Tonquin; on the West River, on the river above Canton, and also the eastern branch of the Canton River, for purposes of foreign trade.

6. The opening of subsidiary ports on the River Yang-tsze is a step which the Chamber cannot impress too strongly upon the attention of his Excellency; but as this subject has been so fully entered upon in the reply of the Shanghae Chamber of Commerce, of the 1st February, to his Excellency's despatch, and as their knowledge of the requirements of trade in that great artery of China, from their juxta-position to it, must necessarily be much greater than that of the residents in the south of China, this Chamber merely ventures to give a general expression of its opinion as to the desirability of such a measure being adopted to the fullest extent possible, without entering into details.

7. With regard to the question of opening more ports on the coast, this Chamber would strongly recommend that those named by his Excellency should be opened to

foreign trade, and while expressing this opinion would not wish his Excellency to infer that the Chamber desires to limit the number of ports that should be opened to those specified in his Excellency's despatch, but would record it as its opinion that all ports which from the magnitude of their trade claim any pretensions to first-class trading ports, should be thrown open to foreign enterprise.

8. The Chamber would specially call attention to the port of Kiung-chow (Hainan), which, although provided for in the Treaty of Tien-tsin of the 26th of June, 1858, has since remained to all practical purposes a closed port, owing to the almost prohibitory regulation imposed by the Maritime Customs, requiring that vessels bound to that port shall obtain their clearance at the port of Canton under pain of confiscation. The Chamber feel convinced that a growing and important trade with this colony has been crushed by the restrictions above referred to.

9. The Chamber advocates the opening of more coast ports, without restriction, on general grounds, feeling assured that the more points at which foreigners and Chinese come into direct commercial contact, the cheaper will cotton manufactures and other merchandize be obtainable by the consumers, and the larger will the consumption of such imports be. The same would be the inevitable result in regard to exports from the ports which may be opened.

10. In addition to the benefits which would accrue to the importers of foreign goods and the producers on this side—in short, the merchants, both foreign and Chinese—shipowners and the Chinese Customs revenue could not fail to be also largely benefited.

11. This Chamber would respectfully point out that it would not be necessary to incur the expenses of full Consular establishments on the opening of such ports, as agents could doubtless be chosen from the merchants who would settle at such places, and who, under the supervision of the nearest British Consul, would be able to attend to all necessary business.

12. Intimately connected with the opening of new ports is the system of transit dues now conducted, this Chamber unhesitatingly asserts, upon the most unsatisfactory footing; and the Chamber cannot too strongly impress upon his Excellency the necessity of a radical change in the manner of levying such.

3. The boon intended to be secured to trade by Rule 7, appended to the Treaty of Tien-tsin, has, the Chamber need hardly point out, become null and void by the heavy exactions made upon imports in their transit from the Treaty ports to the places of consumption, and upon exports in their transit from the districts of production to the ports of shipment; and as a means towards the suppression of said illegal taxes, the Chamber would advocate strongly the opening freely of inland marts to foreign merchants, and the development of inland communication.

14. To secure the greater freedom of transit of goods into and from the interior the Chamber would strongly advocate the introduction of railways, and that permission should be granted to navigate the inland waters of China by steamers.

15. The Chamber is convinced that these are two of the most important concessions that ought to be insisted upon in the revision of the Treaty, and that the removal of the restriction put upon the navigation of the inland waters by steamers, and the introduction of railways, would be productive of inestimable advantage to foreigners and Chinese generally, and do more to break up the present system of unreasonable imposts upon goods in transit than any compact which may be entered into with a weak and crippled Government, such as that of China.

I have, &c.
(Signed) W. J. BRYANS.

No. 101.

Mr. Hammond to the Secretary to the Board of Trade.

Sir, *Foreign Office, May* 11, 1869.

WITH reference to the papers on the subject of revision of Treaties with China, now before the Lords of the Committee of Privy Council for Trade with a view to the instructions to be sent to Her Majesty's Minister at Peking for his further dealing with this matter, I am directed by the Earl of Clarendon to transmit to you herewith, to be laid before their Lordships, a further despatch from Sir Rutherford Alcock,* passing in review the important points which require to be seriously considered and promptly decided.

* No. 98.

These points may, in a few words, be stated to be—1st, whether we should adopt a system of coercion towards China with a view to induce the Government to afford more extended fields for foreign commerce than are at present opened to it, and than the Government is willing to concede; and to sanction the formation of railways and telegraphs, together with unlimited right of steam navigation, which it declares to be dangerous to the institutions of the country and repugnant to the feelings of the people; or, 2ndly, whether, renouncing such a system as impolitic and unjust, we should for the present abandon the attempt to extend our commercial intercourse with China, in the expectation of some unlooked for combination of circumstances, or voluntary action on the part of the Chinese Government in the way of progress, by which objects which it is not competent for foreign Powers now to attain without the adoption of coercive measures may be brought within the grasp of foreign traders; or, 3rdly, whether we should accept what, with much pains and with unwearied perseverance, Sir Rutherford Alcock has succeeded in inducing the Chinese Government to concede, as an instalment indeed, though of no small value, of what we desire to obtain, in the hope that better terms may be gained hereafter, either through the negotiations which other Powers under their present Treaties will be entitled to open in successive years with the Chinese Government, or from the increasing disposition of the Government and people of China to improve their relations with foreign countries.

Lord Clarendon apprehends that the Lords of Trade will be as reluctant to allow matters to remain at a standstill as they would be to have recourse to measures of coercion, by the adoption of which the valuable trade with China would be put in jeopardy; and if this is so, it seems to his Lordship that the most prudent course would be to accept the concession which Sir Rutherford Alcock appears to have obtained from the Chinese Government by fair argument and amicable representation, and to await as regards all other matters the development which, in the natural course of things, may be looked for, and which the experience of late years gives good reason to expect will attend our future trade with China.

Lord Clarendon is aware that the restriction of the action of Her Majesty's Government within such moderate limits may be viewed with disfavour by the mercantile community in China, who, in their anxiety to extend their operations, are but too apt to overlook not only the individual risks which they may themselves run, but also the more serious consequences which might ensue internationally if Great Britain were called upon to maintain, by force of arms, privileges reluctantly conceded, and therefore likely to be evaded or rendered nugatory by indirect means.

Lord Clarendon apprehends that neither Parliament nor the country would approve of such risks or such consequences being courted by Her Majesty's Government; and would consider that speculative advantages in trade would be dearly sought for through the perils to existing trade and to amicable relations with the Chinese Empire which an overbearing and coercive attitude, as regards its Government and people, would be calculated to entail.

I am, &c.
(Signed) E. HAMMOND.

No. 102.

Mr. Hammond to the Secretary to the Board of Trade.

Sir, *Foreign Office, May* 13, 1869.

I AM directed by the Earl of Clarendon to transmit to you a translation of a note, and of its inclosure, which have been received from the Ambassador of the North German Confederation in regard to the proposed revision of Chinese Treaties;* and I am to request that you will move the Lords of Trade to take these papers into their consideration, with Sir R. Alcock's despatches upon the same subject now before their Lordships.

I am, &c.
(Signed) E. HAMMOND.

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* No. 97.

No. 103.

Sir R. Alcock to the Earl of Clarendon.—(*Received May* 16.)

My Lord, *Peking, March* 18, 1869.

HIS Excellency Wên-siang, and two other Ministers of the Tsung-li Yamên, paid me a long visit yesterday, during which many matters of great interest were talked over, and views exchanged on subjects bearing upon the revision of the Treaty and the recent missionary troubles at so many different points of the Empire.

It was evident, although the subject was not, in the first instance, adverted to on either side, that the missionary difficulties were uppermost in their thoughts, and, more or less, influenced on their remarks on demands for greater facilities of access to centres of trade.

This was the more easily understood as I was aware that M. de Rochechouart had been at the Yamên the day before, respecting the demands made for redress in the case of a French missionary who had lost his life in some attack on a mission in one of the districts lying in the upper valley of the Yang-tsze-kiang, not far from Chung-king.

On the part of the missionaries, I believe, it is alleged that the violence was instigated by the authorities, and that they have evidence implicating the Viceroy of the province.

This is denied on the other side, and it is contended by the Yamên that there was neither massacre nor persecution of Christians in the case, but a quarrel and a fight between contending villages where the Christian converts took one side and the Pagans the other. It is further said, as I understand, that the quarrel originated in the endeavour of a Christian convert to marry a Chinese girl who did not belong to that section of the community; in the conflict that ensued many lives were lost on both sides. I believe the recall of the Viceroy, or the dispatch of a Commission of Inquiry, with a French officer upon it, to be one of the four demands made. The question is still under discussion, and with no great probability of any satisfactory termination, as far as I can learn.

A good deal pre-occupied with the more recent difficulties, I found all my observations in favour of steam navigation on the Yang-tsze and its affluents only raised in the minds of the Ministers visions of new troubles from the advent of merchants as well as missionaries. I endeavoured to convince them that the presence of respectable merchants having large interests at stake would be a check to all unreasonable pretensions or intemperate acts of the missionaries; that, in fact, their mutual presence would furnish the best safeguard, for each would feel under supervision of the other, whereas now the missionaries far in the interior were released from all surveillance, save such as the Chinese authorities could exercise.

The conclusion I came to, after more than two hours' conversation of a very friendly character, was the entire hopelessness of making any further progress at present in this or any other direction tending to open China more effectually to foreigners. The Ministers seemed much more anxious to ascertain if they might hope to induce the French Government to relinquish the right of inland residence to the missionaries under their protectorate, or might count upon support if they disputed the existence of the right—founded, as it is, upon an interpretation in the Chinese text of the Convention which has no counterpart in the French version—than to seek a remedy for the evil by letting in the free elements of commerce and larger intercourse.

Allusions were made in the course of conversation to the recent missionary troubles at so many points from Yang-chow to Tai-wan, but the Ministers were anxious to disclaim all desire to make any further reference to what had taken place at all these places. Wên-siang said they hoped all was settled as regarded those trouble now; and however unpleasant some of the incidents had been, there was no desire to recur to them. That which was alone of consequence was to devise means for preventing the perpetual recurrence of such conflicts and troubles.

I replied that, from the purport of the Prince of Kung's last letter on the Yang-chow affair, copy of which is herewith inclosed, I had concluded there was no wish on his part to prolong the correspondence. I was glad, therefore, to have the opportunity of verbally referring to it, and observing that the communication I had lately made of the views of Her Majesty's Government as to the avoidance of all employment of force and the reference of all grievance or difficulty arising at the ports to the Central Government at Peking, must have shown the Prince that, as regards the future, there was every disposition to act in accordance with his view of the proper mode of settling all such differences.

But, I added, in reference to some remarks in the Prince's letter as to the Yamên's readiness at all times to listen to my representations and to take action, and the hope

expressed that my confidence in their good intentions had been acquired, I particularly desired to state my complaint had never been against the Yamên in such cases, but the Provincial authorities, who not only disregarded the Treaty provisions, but often refused to give effect to the instructions received from Peking. Notably this had been the case at Yang-chow, when the "Rinaldo" took her departure, even though his Excellency the Viceroy had previously agreed to the terms of a satisfactory settlement with the Consul. This had led to the subsequent appearance of a squadron, the effect of such apparent failure to obtain redress having been to incite the populace at Chin-kiang and other places to acts of hostility against foreigners, endangering both life and property, and threatening to spread like a fire which involves every class in a common danger.

So, also, at Tai-wan precisely the same thing took place. The Imperial Commissioner from Amoy had, indeed, been sent there in obedience to the instructions of the Yamên; but, so far from proceeding actively to inquire into the grievances and do justice, he treated all the Consul's representations with contempt, denied his power to take any step for the redress of injuries, and announced his intention of immediately returning without taking a single step. It was this which brough on the conflict both the Prince and myself had to deplore. Mr. Gibson, driven to despair of redress by the proper authorities, and believing life and property to be in great danger, called upon the Naval Commander to take possession of the Fort of Zelandia, whence resulted a loss of life and destruction of Government stores which I deplored as much as the Prince could. But all this would have been avoided if His Imperial Highness' orders had been carried out in accordance with the understanding arrived at here, instead of being openly disregarded. Therefore, as regarded the assurances conveyed to Her Majesty's Secretary of State on behalf of Her Majesty's Government to the Chinese Envoys, and subsequently confirmed in my letter to the Prince, of their desire to look rather to the Central Government than to the local authorities for the redress of wrongs done to British subjects, it was clear that such policy could only be carried out, or indeed prove beneficial to either country, on the supposition that the Central Government was both able and willing to take such action in all cases referred to them as should be effective and compel obedience on the part of the local authorities. The only cases in which I had made appeal to the Naval Commander-in-chief to support the action of the Consuls with the local authorities (at Yang-chow and Tai-wan) had been where I had reason to believe the instructions of the Yamên issued on my appeal to them for redress had been already, or would certainly be, disregarded by the former, unless they saw such evidence as the presence of a squadron would alone give, of a determination to hold them to the due execution of the orders of the Central Government to afford redress.

It was quite true that Mr. Consul Medhurst had proceeded further than I had anticipated would be necessary in seizing a steamer as a guarantee of good faith in the fulfilment of the Viceroy's engagements; and at Tai-wan, that Mr. Gibson, without waiting for instructions, precipitately had resorted to force, contrary to the policy now declared; but I thought the Ministers must see in each case there were many extenuating circumstances in the presence of an immediate danger from any further failure, to obtain redress on the spot. With all this, I freely admitted that excess of zeal or want of judgment on the part of Consular officers at distant ports like Tai-wan might occasionally, as in the instance just referred to, lead to unauthorized conflicts with the local authorities; just as the want of any control over turbulent and lawless villages by the local authorities, as recently at Swatow, and a minor affair at the mouth of the Min, might lead to similar collisions, neither anticipated nor desired by the Central Government at Peking. But in all such cases the Yamên, in concert with Her Majesty's Representative here, would be enabled to do justice in the end, and hold each party responsible for their acts, without there being any question of such isolated acts of hostility or aggression, leading to a breach of friendly relations between the two Governments.

In this, Wên-siang and the other Ministers expressed their entire concurrence. They freely admitted, also, that they could not always answer for the discretion or judgment of their provincial officers, or their control over turbulent populations, and that doubtless difficulties would occasionally occur at the ports despite the best efforts of both Governments to prevent them. All that was required for the maintenance of good relations between the two Governments, was a disposition on the part of both to do justice and maintain peace.

Nothing could well be more satisfactory than the whole tone of the conversatian on this subject. The Ministers had no desire, as they more than once assured me, to stir up irritating matters for discussion. These affairs, to which we had been alluding, had been brought to a settlement; and nothing was to be gained by ripping up all that was unpleasant in the incidents on either side.

In the course of a long and necessarily desultory conversation about many things, during which arguments for more decided progress, and the development of trade by freer access and means of transport to the interior, were often lost sight of in the one absorbing trouble of the missionaries and their inland residence, one remark of Wên-siang's struck me forcibly. When urging the working of coal mines by foreign capital and machinery, he replied, " You want to move too fast." We have had some bitter experience already of what comes of it. We were urged—I don't care to say how or by whom, for the thing is done, and I wish to blame no one—to engage in large works for an arsenal and docks at Foo-chow, and we have only burnt our fingers. Nor is this the first or only lesson we have had of the same kind." And here it was impossible not to see he had the Lay-Osborn fleet in his mind, though he did not specify it. " It would be the same," he continued, " with railroads, and mines, and all the rest. We are not ready yet for such great innovations, or improvements if you will. We are not prepared, and cannot handle with safety all the conditions. Nothing but loss, and humiliations, and danger, could come of our attempts. The time for these things may come no doubt, as you desire; but not yet. We cannot move as fast as you would have us, nor at all in some directions, without manifest loss and danger.

When I spoke of the large promises made in their name by Mr. Burlingame in America, and how loudly he had proclaimed that the mission to Europe meant progress, and of the certainty of a reaction, even in the United States, when those who had suffered themselves to be led away by eager anticipations of decided steps saw that in no one direction was any material progress contemplated, he replied that he knew very well how much had been promised, but not the less such progress as foreigners were always urging upon them was simply impossible.

I have thought it right to give the general bearing of this conversation, and even to dwell on some of the details, because I cannot help thinking it will better serve to put your Lordship in possession of the real opinions and tendencies of the Foreign Board here than any of their official despatches; and any light I can throw upon the true spirit of their acts and policy must be a material aid to Her Majesty's Government at this moment, when the revision of the Treaty is under consideration, and future results of great importance must be affected by the decision come to.

One result, I think, stands out more clearly than any other, and it is this: What we have gained by the last year's preliminary negotiations in the way of revision we may probably count upon as not likely to be withdrawn. But if it was difficult to negotiate for large concessions before the assurance authoritatively given by your Lordship's communication to Mr. Burlingame, that there was neither a desire nor intention to apply unfriendly pressure to China to induce her Government to advance more rapidly in her intercourse with foreign nations than was consistent with safety and with due and reasonable regard for the feelings of her subjects, it is now out of the question to hope for more than has been already conceded.

Relieved of all anxiety, and assured of their undisputed right to judge for themselves how far any changes or improvements may be consistent with safety and a reasonable regard for the feelings and interests of their own people, they have no motive for further concession. Strong in the assurances of two of the great Treaty Powers,—the United States and Great Britain,—that no undue or unfriendly pressure would be employed to induce them to move faster than they themselves may desire, it is quite certain that no further progress can be made at present. It simply remains, I believe, for Her Majesty's Government to determine whether they will carry out the revision on the bases proposed and already assented to by the Chinese Government, or defer the revision altogether to some later period.

I have, &c.
(Signed) RUTHERFORD ALCOCK.

Inclosure in No. 103.

The Prince of Kung to Sir R. Alcock.

(Translation.) *March* 5, 1869.

THE Prince of Kung, &c., makes a communication.

On the 6th of January the Prince received the despatch of his Excellency the British Minister, to the effect that the coercive action of Mr. Consul Medhurst in the settlement of the missionary affairs of Yang-chow, his detention of the steamer as a material guarantee was caused by the want of promptitude with which his Excellency Tsêng took up the matter; that such action on Mr. Medhurst's part was entirely correct; and that his

Excellency cannot, without some reason being shown for such a measure, issue a notification enjoining the missionaries to keep within their own proper sphere of duties, &c.

The Prince would observe that, since the exchange of Treaties, the consolidation of the friendly relations of the two Powers [*lit.*, China and foreign nations] has been effected. The various Consuls should appreciate this, and, in conducting any piece of international business, should find some means of coming to a satisfactory settlement in conjunction with the local authority. But neither by the actual employment of an armed force, nor by threats; should they arouse the popular distrust. Should the local authority be unable to settle the question at once, it will be quite within the Consul's power to represent the case to his Minister for reference to the Board of Foreign Affairs. In no instance has that Board failed on the instant [requisition has been made to it] to press forward inquiry into the matter; nor has it ever withheld its action until a Consul has employed force, and seized a steamer as a material guarantee. That during these years the Prince, in his intercourse with the successive Ministers of Great Britain, has earnestly striven to preserve friendly relations, he has the testimony of his own conscience; confidence, too, has been reposed in him by all their Excellencies, but most entirely (he had thought) by his Excellency the present Minister.

In the present case, when his Excellency the British Minister came to the Yamên, the Prince at once agreed to depute a high official with powers to proceed to Yang-chow, and, in conjunction with (the Consul), inquire into and redress the wrong complained of. Even previous to this the Viceroy had suspended the Prefect and Magistrate; and when subsequently he received the Prince's instruction, he sent the Provincial Judge Li and the Taoutae Ying as Commissioners for the joint inquiry. On the facts as deliberated between the Prince and his Excellency the British Minister, it was arranged by the Commissioners with a view to the speedier settlement of the case, that compensation should be made to the missionaries for the losses and personal injuries sustained, while proclamations were issued, engraved on stone and printed: indeed throughout the whole case, neither the Prince nor the Viceroy have disregarded any of the demands made by the British Minister when at the Yamên; these have been fulfilled in every particular. The Prince, when he made this arrangement, knew nothing of Mr. Medhurst's having employed a naval force and exacted a guarantee, nor did any such consideration influence the Viceroy when he sent Commissioners to conclude the case.

Mr. Medhurst simply introduced this, a new complication into the matter, after the Prince and his Excellency the British Minister had arranged a course of action. This was inconsiderate of the long-established friendship between the two powers; and hence the Prince remarked in his former despatch that Mr. Medhurst took a narrow view of the question. These acts of Mr. Medhurst are things of the past, and the case itself is settled; there needs not much discussion as to who was right and who was wrong. All the Prince desires is, to place the matter clearly before his Excellency the British Minister that he may instruct Mr. Medhurst in future to show appreciation for friendly relations when dealing with international questions, and not take it for granted that by such action as his alone is justice to be obtained from China.

The request made by the Prince in his former despatch that his Excellency the British Minister would, by Circular, enjoin the missionaries to keep within their own proper sphere, was a measure of precaution; not an insinuation that the missionaries were busybodies. Prevention is certainly better than cure; and when troubles arise, what avails a warning issued after the event?

Once for all: ever since China has been in Treaty relations with foreign Powers, the sole desire of the Prince has been the thorough establishment of amicable feelings; and from a like desire are the expressions in the British Minister's last despatch with reference to dangers to the friendly relations of the two countries. It behoves the various Consuls to appreciate this feeling, to find means to settle matters on the spot with the local authorities, so as not to disappoint this, the constant aspiration of the Prince and his Excellency the British Minister.

The rights and wrongs of this case are now of the past; they may be dropped from discussion.

His Excellency the British Minister will doubtless agree with the tenor of the despatch which the Prince now addresses to him.

A necessary communication to his Excellency Sir Rutherford Alcock, K.C.B.

No. 104.

Consul Medhurst to the Earl of Clarendon.—(Received May 16.)

My Lord, *Shanghae, March 24, 1869.*

I HAVE the honour to forward copy of my despatch of the 18th instant to his Excellency Sir Rutherford Alcock, K.C.B., inclosing copy of a letter from Mr. Kingsmill on the proposed extension of trade in China.

I have, &c.
(Signed) W. H. MEDHURST.

Inclosure in No. 104.

Mr. Kingsmill to Consul Medhurst.

Sir, *Shanghae, February 25, 1869.*

IN reply to your announcement of the 28th of December, 1868, referring to a despatch from Her Majesty's Minister at Peking on the subject of the proposed revision of the Treaty of Tien-tsin, I have now the honour to submit the following suggestions for transmission to Her Majesty's Government, in accordance with his Excellency's despatch.

Causes of present depressed state of China.

Having been more or less engaged in engineering duties in China since the year 1861, during which time my professional avocations have called me into most of the southern Provinces of the Empire, and believing that much of the present depressed state of the country arises in the first place from defective methods of inter-communication, and in the second from an unintelligent refusal to utilize the mineral resources known to exist in various portions of the Empire, it will scarcely be an impertinence in me to bring before Her Majesty's Government those matters which have more immediately occupied my intention, and which seem in a great degree to have interfered with that spread of foreign commerce so confidently predicted when the present Treaties were entered into.

Want of proper means of communication.

Referring then to the first obstacle mentioned above it is found that at the present day the communications of China are in as crude a state as when the country first became an Empire. There is, indeed, reason to believe that so far from having progressed in this particular, there has been a gradual decadence from the time of the earlier dynasties. Whether we look at the means of communication along the coast by junks of an antique description, only suited to make a single voyage in the year with a fair monsoon; or to the weak and dangerous craft by which the internal water-ways are traversed; or again travel by land by the so-called roads of the country, we cannot but conclude that by the difficulties thrown in the way of the proper transport of goods the prosperity of the country has been seriously affected. Independently of the obstacles placed on trade by the system of petty duties on goods in transport, the tendency of the want of proper communication has been to isolate neighbouring districts, to increase in each the competition for the necessaries of life, not only between man and man, but even between man and the lower animals, and to prevent the establishment of an independent middle class, on the existence of which so much of the prosperity of European States depends. There is reason to believe that the struggle for existence in China, fostered by the isolation following on want of inter-communication, has been continually increasing; beasts of burden at least seem to have been in more general use during the first periods of Chinese history to which we have access, while more attention was paid by the Government to the formation of roads and bridges. Even in the southern provinces carts drawn by beasts of burden seem formerly to have been in constant use, while boats are stated to have been tracked by horses in the central provinces. In both cases at the present day the place of the lower animals has been filled by human labour; the roads are used merely for local purposes, and have dwindled to foot-paths traversed only by human feet. In the northern provinces an almost similar state of affairs may be noticed. The great work of the Yuen Dynasty, the Imperial canal, has been suffered to fall into disrepair, while the roads on which the greater portion of the traffic of the northern and western provinces depends have been systematically destroyed or encroached on. In these districts human labour has not so successfully competed with that of the brutes. In the extreme north rude carts drawn by teams of horses, oxen, or mules are still made use of; but in those portions which approach the valley of the Yang-tsze either human labour by means of wheelbarrows, or else packing by mules or asses, is the sole method in use for the interchange of commodities between distant

localities. That any trade survives these numerous obstacles is a subject which may rather excite our wonder, than that the amount should be so limited as it actually is.

Overland route to North China.

For an example I shall refer to the trade of Pechili and Shansi with the interior. Many of the sundry goods which make up the assortment of a Chinese store come from the southern and middle provinces, and find their central market in the city of Soo-chow. Here resort large numbers of northern purchasers who buy in the shops of the city their assortments; a little opium, a few foreign piece-goods, Chinese silks, paper, crockery, tea, &c.; not to speak of the numberless odds and ends required in a Chinese household. These goods find their way to Pukow on the left bank of the Yang-tsze, opposite Nanking, either by land or water, the former being often preferred, slow and expensive as it is, in order to avoid the heavy tolls charged on passing boats. From Pukow, however, they have to pass, in all cases along the road, and a weary journey of 2,000 li begins. For some 600 miles through the provinces of Kiangsu, Anhwei, Honan, and Pechili, over a country for the most part consisting of gently undulating plains, a road which it would be almost flattery to denominate a bridle-path, is the sole means of transport. In some previous dynasty it had indeed been laid out with pretence at skill; generally speaking it has been carried forward in a straight line, the road being partially levelled when passing hilly ground. Obstacles which might have been avoided by the exercise of some ingenuity have however been simply passed over; chains of hills in place of being skirted are crossed at heedlessly high elevations. Here and there bridges over the rapid rivers which drain the higher plains have been erected with no mean engineering skill, and are of sufficient width and solidity to have readily borne a large traffic in wheeled vehicles and even heavy artillery. These, however, are the remains of the past, and are rapidly falling into ruin. At the present day an undefined bridle-track wandering about, sometimes between the banks of the old road, sometimes straggling over adjacent cultivated ground, sometimes where the bridges are still intact passing over them, and sometimes fording by the side of ruined arches a rapid stream, is the sole track over which an important trade has to be carried.

The journey from Pukow to Peking occupies about thirty days; each animal will carry under rather than over 150 lbs., the daily expense of each will probably average 180*l.* cash; the cost of transit to Peking will therefore be about 80,000*l.* cash, or say 52 taels per ton, equivalent to about 16*l.* sterling. Having visited the route during the Chinese holidays, I passed some ten or twelve trains, consisting each of from fifteen to twenty-five pack animals or wheel-barrows. A good many of these were engaged in local trade, but the majority were proceeding to the northern provinces. Besides this road it must be remembered that there are two other routes to the north; one by sea to Tien-tsin, by which since the opening of the port most of the traffic goes; and the other, the Imperial canal, along which the grain tribute of the provinces formerly travelled to the capital. Tien-tsin itself is only connected with the north-western provinces by roads such as I have described; while owing to the recent change in the bed of the Yellow River, to counteract which the Chinese Government seems to be taking no steps, the water communication by the Imperial canal is interrupted for a distance of about 100 miles. The description given of this road will, with slight changes, apply to the internal communications of all the provinces lying north of the River Yang-tsze, and which include the most fertile and the richest mineral districts in China. The highest rate of speed attainable is by the Imperial couriers, whose limit is 600 li per day, or about eight miles per hour; ordinary official correspondence travels about 120 li, while mercantile letters barely [make] over 60 or 70 li in the same period. It is not my intention to enter into the political results of this practical isolation of the country, they must be apparent to all; the great rebellions of the Taepings and Nienfei would either have never occurred, or have been crushed in the first outbreak, had there existed facilities for the rapid transmission of intelligence and troops.

Internal trade of South China.

In the south of China, although from the physical characteristics of the country navigable streams are of more frequent occurrence, there is still the same want. The ordinary boats of the country, propelled by sails or manual labour, cannot travel on an average more than 100 li (32 miles) per diem. In the larger sheets of water, as the River Yang-tsze, the Poyang, Tung-ting or Tai Lakes, they are often detained for days or even weeks waiting for a fair wind. Thus the ordinary time occupied by a cargo carrying junk in travelling from Hankow to Chung-kiang in Szechuen, a distance of between 700 and 800 miles, is three months. In the Poyang lake the tea boats coming from the Moyune districts to Kiu-kiang, a distance of about 200 miles, often occupy two or three weeks; so uncertain indeed is the passage that the teas are often conveyed by coolie labour overland to Hwei-chow in Anhwei, from whence they descend the Tsien-tang to Hang-chow. The same may be said of the traffic with the south of China. From Hankow to Canton

by Hunan Province is about 700 miles, the greater portion by water. In place, however, of availing themselves of this method of communication Chinese traders prefer sending their goods by Shanghae over a route of more than 1,500 miles, and at a cost, independent of the heavy coast trade duties, of some 15 taels per ton, considerably more than the average rate between China and Europe.

Results of this state of affairs.

It needs but little prescience to foresee the results of such a state of affairs. Even were there no excessive levies made by local Mandarins on the trade which continues to survive, the tendency has been to make each small district dependent on its own productions alone. Hence has arisen excessive competition for the necessaries of life; there being no possible market for the surplus products of the district, production ceased when a bare sustenance was obtained; with no imports or manufactories there was no division of labour; as the population increased there was no need of the services of additional hands, hence human life and human labour became of the smallest possible account, until finally while economy of material conveyed at great cost and risk from distant localities became imperative, manual labour being a drug in the market had to enter into competition with the lower animals. Such was the state of affairs which preceded the great Taeping rebellion, and which rendered necessary that great scourge.

Present state of China.

But although this was the state of society in China some twenty years ago the events which have occurred in the meanwhile have in some respects had a modifying influence. The great rebellion, the bursting of the bank of the Hwang-ho, and the general spread of commerce along the coast incident on the introduction of foreign trade have to a certain extent broken through this isolation. The loss of life, following either directly or indirectly the two former events has also reduced the population to such a limit that the greater portion of the interior of the Empire, though eminently suitable for grazing or tillage, is now a wilderness, beyond the ability or skill of the inhabitants to cultivate to advantage. Vast tracts of what might not inaptly be denominated prairie land now wait in the central provinces the means of profitable employment, while many of the prejudices of the population have been weakened. Without means of transport it is obviously impossible for an impoverished people to take advantage of these circumstances, yet the provision of this most necessary adjunct to the prosperity of the country has been, since its commencement, neglected by the present dynasty. While the rest of the world have seen the necessity of improving the means and cheapening the cost of transport, China alone has persistently, and as a matter of policy allowed her communications to become more imperfect from day to day. Of the effects of this policy, the memorials of the various Chambers of Commerce, and of most of the merchants settled at the ports have spoken more or less fully, and with more practical experience than the writer of this notice can bring to bear on the subject; suffice it to say that there are few countries whose external commerce bears so slight a proportion to its population as China, and that probably in no country pretending to civilization is the internal traffic so loaded with obstructions.

Suggestions for improvement; Steamboats and their advantages.

For the improvement of the internal communications of the country two methods suitable to the varied exigencies of the case present themselves—by railways or steamboats. The latter has already been tried to some extent, and where the experiment has been made with the most complete success. Althongh the coast of China was only practically opened to foreign coasting-vessels within the last nine years, in no part of the world probably is the tonnage of steamers so large in proportion to that of sailing-vessels. The opening of the River Yang-tsze as far as Hankow to foreign vessels has also been a splendid success, which is the more gratifying to those engaged in it that the benefit accruing to the general foreign trade of the country has been gained, not only without loss, but with positive and important benefits to the Chinese nation and Government itself. At present no less than four large steamers capable of carrying cargoes in the aggregate amounting to some 8,000 tons, leave each terminus of the line weekly, while there is every prospect of a still further increase. This, however, is mainly the traffic between the two extremities; from the intermediate districts, except the ports of Chin-kiang and Kiu-kiang, by no means the most important, communication is effectually debarred by the present system. When it is remembered that this intermediate district contains the tea districts of Anhwei, the silk manufacturing city of Nanking, and the productive cotton districts of Kiang-peh, the latter of which by a roundabout passage to Shanghae have for three years supplied a large portion of the internal markets of China, an idea may be formed of the capability for expansion of the traffic. The produce of large tracts, the writer has himself been assured by natives interested, is rendered almost unsaleable by the want of means of rapid and cheap conveyance. Beyond the flourishing town of Hankow it is well known lie several emporia, accessible by steamers from the Great River; the chief of these are Chun-kiang and Kwei-chow in Szechuen, Shasi and Fanchên in Hupeh, Siang-tan in Hunan, besides on the lower river, the Poyang Lake communicating with all

parts of the province of Kiang-si. Of the benefits that would accrue from such further extension of trade, the results already obtained are a safe ground for calculation.

Water-ways and Steamer traffic.

In other provinces water-ways, though not so magnificent in their extent, are yet of sufficient importance to form valuable feeders to the internal trade of China. In Kwang-tung and Kwang-si the West, North and East Rivers and the Han are more or less navigable; in Cheh-kiang the Tsien-tang, and in Northern China portions of the Yellow River can be traversed by steamers. The deltas of the Yang-tsze and the Canton River are accessible in all directions to vessels of light draft. For the free navigation of such waters there need be no multiplication of ports of entry; even in countries where protective Tariffs still exist, as in the United States, no bar is placed on the free and complete navigation of the internal waters; wherever a steamer can contrive to float she can go, and no restrictions forbid her taking or discharging cargo at any intermediate port. Such vessels not being employed on the high seas need possess no national flag; a system of regulations might readily be devised which would insure their proper supervision.

Railways.

But even with the free navigation of the internal waters we should have advanced but one step towards the development of the country. The condition of a portion of the north of China has been described above. With a great portion of the provinces of Shan-tung and Pecheli, the entire of Honan, Shansi, Shênsi, and Kansuh no available means of communication other than by roads such as have been described exists. Even in the central provinces large and fertile districts are shut off from communication with the external world. Kiang-si is divided by a water-shed impassible for vessels from Fuh-kien and Cheh-kiang on the one side, and from Kwang-tung and Hunan on the other. Hunan in the same way only possesses one precarious canal leading into Kwang-si. The greater portions of Kwei-chow, Kwang-si, and Yunnan are completely isolated. In such districts, the only available method of introducing the comforts and necessities of civilized life is by means of railways. But besides these districts there are many others where, for the economical conduct of trade, improved roads are a necessity, and where railways offer the best hope of success. Such lines have been projected from Tien-tsin to the coal mines of Chai-tang, and from Shanghae to Soo-chow and Hang-chow; this last carried up the valley of the Tsien-tang by Hwei-chow and from thence by Ho-kow and Kwang-sin-foo, in Kiang-si, could at once be readily constructed, be comparatively cheap in execution, and would pass through districts rich in coal and producing tea in abundance; it would also form the outlet for the potteries of King-têh-chên which supply the greater portion of China, and for the silk districts of Hang-chow and Kia-hing. Another line of the same nature might proceed from central Kiang-si, cross the lesser Meiling, pass and carry the productions of Upper Kwang-tung either to the provincial capital, or northwards to the valley of the Yang-tsze. A fourth line, starting from the neighbourhood of Pu-kow, and taking nearly the route of the present road, would communicate with the Provinces of Kiang-su, Anhwei, Shan-tung, Honan, and Pechili, and finally with the capital itself, passing thus through a country rich and fertile, hitherto deprived of the means of external trade, and possessing, moreover, in abundance stores of mineral, fuel, and iron; such would, however, be but the first portion of a scheme for the improvement of the interior of China, and the development of her external commerce.

Concessions an guarantees.

In suggesting, however, that an acknowledgment of the necessity of such lines be inserted in the new Treaty, it it by no means to be understood that there is any probability or even possibility of any such scheme being taken up hurriedly by foreign capitalists; and this will be the more evident when it is remembered that the expenses of forming the series of lines suggested would amount to at least 20,000,000*l.* sterling. On the contrary, my information on this subject tends rather to show that some definite guarantee on the part of the Chinese Government will be required before capitalists will venture to risk so large a sum of money in a new country, and that these guarantees, moreover, will not be confined to an annual subsidy in case of traffic not proving sufficient to pay a dividend, but will probably include an undertaking that the roads and other approaches shall be kept in full and proper repair in the neighbourhood of the lines, and that no undue restrictions shall be placed on goods or passengers travelling to or from the stations.

It is not however unlikely that, in one or two cases, as in the neighbourhoods of Shanghae and Peking, it may be possible that sufficient capital would be subscribed for the construction of short railways without a guarantee of a dividend, but on the distinct understanding that a concession defining the limits within which no competing line shall be permitted, shall be granted to the promoters. Such a concession should, of course, in the latter case, include a claim to working a portion of the neighbouring corn-fields.

Effects on the labour market.

The fears of the Chinese as to the effects of any sudden change may probably best be overcome by the explanation that however such a course were desired it would be impossible

to carry out such vast works except by slow degrees; and that during their construction large supplies of labour will be necessary, affording the opportunity for the profitable employment of any that might be displaced on the partial opening of any of the lines. With regard to the steam-boat traffic it may readily be left to find its own level; there will be always portions of the internal waters where the native boats will find profitable employment. No distress in other countries has been known to follow improved means of communication; on the contrary, the better the means of transit the larger number of hands were able to gain a livelihood. There is no reason why the general principles of political economy should be reversed in China; hitherto, at least, we have been able to trace their action here as elsewhere.

Second cause of depressed state of China.

Intimately connected with the first, as supplying the means in great part for the profitable introduction of improved communication is the second cause of the present depressed state of China, which I have referred to the unintelligent refusal of the Government to permit the utilization of the mineral resources of the country. Like the former, this evil has been aggravated of late years. Mines of coal, of lead, tin, and silver, formerly worked, have been closed either by direct command of the Government or by the action of local authorities. An absurd reference to the Fêng-shui of the land stated to be disturbed by their working has in more than one instance been put forward as the ostensible cause. This is the more extraordinary when it is remembered that the very reference to, and belief in, Fêng-shui has more than once been officially condemned in the highest quarters. The advantages to be gained by the Chinese are so self-evident, and have been so frequently urged, as scarcely need repetition. In a large portion of Northern China the inhabitants, deprived of mineral fuel, and rendered careless for the future by causes already detailed, have destroyed effectually the forests which once there is reason to believe covered a great part of the country; for miles not a single tree is to be seen, and the inhabitants burn either the straw of their crops or use the grass from the slopes of the hills or rising grounds, which otherwise might be advantageously employed either for crops or pasturage. Large tracts of country are thus rendered useless for the habitation of man, while there is little doubt that the climate of China itself, as well as the neighbouring countries, has deteriorated from the destruction of the trees. Such fuel is dear, is wasteful in storage, encourages sloth in the inhabitants, and is unfitted for warming their dwellings during the long winter of the northern provinces, besides being attendant with the grave evils mentioned above.

Coal.

In most of the provinces of China there are supplies of coal; in some it exists in magnificent beds. The principal deposits at present known are in the Si-shan, near Peking, in Shansi, in many districts in Honan, especially in the Prefecture of Süchow, where both anthracite and flaming coal seem to occur; in Shantung, especially in the Prefecture of I-chow, but also in most of the others; in Kiangsi, in the Prefecture of Kwangsin, where, in the neighbourhood of Loh-ping, the best coal yet discovered in Southern China is represented to occur, but also along the base of the mountains in many other localities; in Hunan, in the neighbourhood of Siangtan, and in Szechuen, near Kwei-chow, in both which good steam coal occurs; in Cheh-kiang, in Kiang-shanhien, whence good anthracite has been obtained; in Formosa, at Kelung, &c. Most of these districts occur near important lines of traffic; all are at present worked to a slight extent in the usual wasteful way of the Chinese, who from want of skill destroy more coal than they are able to save. Without proper means, however, of transport, they are comparatively useless. Coal costing in Hunan at the pit's mouth probably 100 cash per picul, 1 tael per ton, sells at Nanking for 750 cash for the same quantity. In other localities coal is known to occur in greater or lesser quantities, of these the district brought most prominently into notice has been that of Nanking. The irregular structure of the rocks, and the geological disturbances which have taken place, prevent decided opinions being given of their probable out-turn without further investigation. Some of the beds in this district have been metamorphosed into coarse graphite of no great value; but in connection with these I have reason to believe that circumstances have occurred which, unless promptly settled by the action of the Chinese Government, are not unlikely to lead to future disputes.

Mining laws.

In a country so peculiarly situated as China with regard to external powers, it is of the utmost importance that a well regulated set of mining laws should be at once constructed. Already in the instance referred to there is reason to believe that the plumbago bearing ground has been bought up by speculators. No greater evil could probably occur than that the rights of mining in large districts should become a monopoly, possibly lodged in the hands of parties unwilling or unable to develop the resources of the country. In most new countries the mining laws are framed in such a manner as to give the largest scope to explorers possessed of the means of working mines in a satisfactory manner. Some modification whereby the rights of owners of the soil might be preserved without detriment to general interests may possibly be found in China. At present there

is every reason to believe that the rights of the Sovereign, and of the *de facto* owners, have never been placed by Chinese statescraft in a defined position, Should some steps to define these relative rights be not shortly taken, while at the same time foreigners are pressing to obtain monopolies of mining districts, it is not unlikely that grave and unpleasant international difficulties may arise. The mining laws of most of the British Colonies, modified to suit the exigencies of Chinese laws and customs, would probably form the basis of a good code for the purpose.

Metals,

Besides mines of coal, extensive deposits of the metals occur, of these probably the most noteworthy is iron. In Shanse and Shantung, in Honan and Szechuen, large and important beds occur. In the Nanking district, most favourably situated for working, and extending to within a few miles of Chin-kiang, are enormous masses of brown hematite and magnetite of excellent quality. These may, eventually, should the supply of coal prove sufficient, become of great economical importance.

In addition, there are known to occur in China valuable mines of silver, copper, lead, antimony, and tin. The localities are not known with certainty.

Production decreased through want of means of carriage.

In all these cases there are signs that formerly minerals were produced in greater abundance than at present. The want of means of carriage has probably in many cases produced this result, though cases have been discovered (as at Têng-chow, in Shantung) where the direct interference of the officials has led to the cessation of working. The question of coal and iron mining is so intimately connected with the extension of proper means of transit, each acting and reacting on the other, that any attempt to discuss one while ignoring the other, would only have the effect of retarding a settlement of the difficulties complained of. The advantages to the Chinese themselves are so self-evident in the additional demand for labour, and the increase of actual wealth in circulation, that with any other Government there could be no need of stating them twice. It must be remembered that the working of these mines would require a minimum of foreign interference; foreign labour would by no means be brought into competition with native; while the position of those foreigners engaged in the superintendence of large mining operations would always force them to remain on the side of law and order. The strict discipline necessary in mining works, as well as the large capital at stake, would always be a guarantee that local authority would be respected. In suggesting, therefore, the opening under proper mining laws of the mines of coal and iron, as well as of the other minerals mentioned above, I conceive that we should in no respect be running counter to the ancient customs, nor acting injuriously towards the interests of the Chinese people and Government.

Advantage to Chinese of opening Mines.

Gold Mines.

In the above I have, however, omitted all mention of placer mines of gold, conceiving that here the Chinese Government have some just cause for their unwillingness to permit free working. In a perfectly uninhabited, or even sparsely peopled, country the irruption of the lower classes of foreigners might form in time the foundation of a prosperous state; among a timid population like the Chinese peasantry it would no doubt to some extent act as a disturbing element. On this subject there does not, however, seem much reason for the dread of the consequences displayed; there is no reason to believe in the occurrence of deposits sufficiently rich to attract numbers of adventurers; on the contrary, the mines appear to be of a meagre description, barely yielding a subsistence to the workers. The permission to the Chinese themselves to work without molestation would probably result in their cheaper labour rendering that of foreigners unremunerative. Should, however, the Government persistently refuse to allow gold mines known to be rich to be opened, there is every chance of adventurers taking possession and holding them against the authorities by armed force; in such a case it is doubtful how far it would be advisable for Great Britain to take on herself the duties of acting as an armed police on behalf of the Chinese; or, again, how such an interference would be regarded by other Powers with whose subjects our forces happened to come in contact.

Telegraphs.

In the above I have made no mention of telegraphs, conceiving that the arguments in favour of improved communication, if at all successful, will convince the Chinese Government of their necessity.

Conclusion.

These are topics which must be discussed fully at some time; the present opportunity seems both a good one and, in the terms of the Treaty of Tien-tsin, a justifiable one for urging them on the Government of the Emperor. Although at some length I have thought it advisable to display the bearings of the entire subject rather than appear as the urger of concessions whose consequences I hed neglected to study.

I have, &c.

(Signed) THOS. W. KINGSMILL, C.E

No. 105.

Consul Robertson to Mr. Hammond.—(*Received May* 17.)

Sir, *Canton, March* 31, 1869.

WITH reference to my despatch of the 20th instant, in which I inclosed copy of the reply of the Hong Kong General Chamber of Commerce to the request of Her Majesty's Minister to be informed of the wishes of the mercantile community in the matter of the revision of the Treaty, I have now the honour to transmit you copy of a despatch (and its inclosures) I have addressed to Sir Rutherford Alcock, forwarding, and commenting on, the views of the Hong Kong General Chamber of Commerce.

I have, &c.

(Signed) D. B. ROBERTSON.

Inclosure 1 in No. 105.

Consul Robertson to Sir R. Alcock.

Sir, *Canton, March* 24, 1869.

I HAVE the honour to inclose a copy of a letter I have received from the Chairman of the Hong Kong General Chamber of Commerce in reply to one I sent, forwarding a copy of your Excellency's despatch of the 18th of December last, to Mr. Pedder, Her Majesty's Consul at Amoy, with reference to the opening of new and subsidiary ports in China, and with the view of affording the mercantile community an opportunity of expressing their opinions and affording information for your own guidance and that of Her Majesty's Government.

It is unnecessary for me to remark upon the various points urged by the Chamber of Commerce; but, as it refers in the fifth paragraph to the West Coast, including Hainan, as far as the Gulf of Tonquin, to the West River, to the river above Canton, and also the eastern branch of the Canton river, for the purposes of foreign trade, I may be justified in offering a few observations upon these localities.

With respect to the West Coast, there can be no doubt it affords facilities for trade to a very large extent. Already the junk traffic between Hong Kong and Macao is of considerable importance, and if British steamers had one or two ports of entry on the coast, a large trade might result which at present requires only the assistance and security of foreign steamers to fully develop.

It is to be regretted the Chamber of Commerce did not support its request with some authentic information upon the trading capabllities of the West Coast and the West River, or point out the ports or places upon them most available for the purposes of trade. I believe, however, very little is known on the subject, and probably, therefore, it was not in a position to do so. I will, however, endeavour to supply in a slight degree that omission on its part.

Of the Island of Hainan I need say nothing. Your Excellency has, doubtless, every information from the Report of Mr. Swinhoe, who lately visited it; but I may, perhaps, be permitted to forward an extract from a former Report I made upon the West Coast, including the Lui-chow and Lien-chow Prefectures, which will afford some information on the subject, and, I believe, all that is at present known about it. From what I then learned and have since heard, the ports of Peh-hai (Pak-hoi) in the Lien-chow Prefecture, and Chih-kên (Chek-ham) in the Lui-chow Prefecture are the best upon the West Coast. Wu-chwan in the Kao-chow Prefecture, is also centrally situated. The harbour of Chih-kên is said to be exceedingly good.

On the West River I can perhaps give some information. In November 1862 I went up it to the city of Wu-chow in Kwang-si, distant from Canton about 190 miles, and as far as the river is navigable with safety by steamers. I was accompanied by Mr. Interpreter Mayers, who made some notes of the journey, and I cannot do better than inclose a copy of them for your Excellency's information.

With one or two exceptions, the cities, towns, or rather large villages, are far from imposing. The country shows very little appearance of that rich cultivation which is displayed in the delta of the Kwang-tung Province, being mountainous along the whole course of the river, with occasional alluvial patches extending for some distance inland on either bank. The river traffic is not great, and, except that we know it is the highway for the neighbouring provinces, and that cassia, oil, and other valuable products are conveyed by it to Canton and other cities on the seaboard, and that salt is transported to the inland

provinces by this route, there is nothing to indicate its importance. Certainly, even Wu-chow appears far from flourishing. Probably, if opened to foreign trade, it would become a depôt for merchandize and produce, and steamers, being able to stem the strong current which sets steadily down beyond the influence of the tides, and makes the passage of native vessels a slow and laborious affair, might give facilities for the conveyance of goods which would open a new source of trade. Before anything of this kind is entered upon, a pioneer steamer ought to be sent up with merchandize to try the markets, and with persons competent to inquire into the capabilities for trade. My own impression, from what I saw is, that the prospect is not very promising, but there may be more in the interior resources of the country than appears upon the banks of this really magnificent river.

With reference to the towns on the north, east, and west rivers, I beg to inclose you duplicate of a Report I had the honour to address to you on the 13th of May last.

I sent by last mail to the Foreign Office a copy of the Hong Kong General Chamber of Commerce's reply, and I shall send by the next mail to Mr. Hammond a copy of this despatch, which I hope you will approve.

Your, &c.
(Signed) D. B. ROBERTSON.

Inclosure 2 in No. 105.

Consul Robertson to Sir F. Bruce.

(Extract.) *Canton, October* 6, 1863.

THE annexed sketch map will show the district of Lui-chow with portions of those of Lien-chow and Kao-chow;* but it is respecting the two former my inquiries were principally directed, the coast of Kao-chow being disturbed by the Hakka insurrection, and not available for obtaining information.

Lui-chow is a peninsula separated from Hainan by a narrow strait. The country is level, with a rich light soil unsuitable for the growth of rice, but well adapted for sugar cane and oil seeds. The principal producing places are the city Lui-chow and a place near it called Hae-kang; also Chih-kan, Mei-luh and Shwuy-tung, on the north side of the district, Hwa-ken, Su-wan, and other places south-west of Lui-chow, and on the north-east side of the peninsula.

The harbours of most of these places are said to be good, and that of Chih-kan, from its extent and depth of water, particularly available for foreign shipping. Its proximity also to the large producing districts offers many advantages. Lui-chow, the city, is situated a few miles inland on a river, navigable for vessels of light draught, which falls into the sea at a place called Shwang-ke, opposite an island called Tung-hae, a great rendezvous for pirates. The road communication with the neighbouring district of Lien-chow, in the Gulf of Tonquin, and the other places above named, appears to be both good and safe. The country is perfectly quiet, and the people industrious and well to do. The following is a rough estimate of the exports from the several places named:—

Shuy-tung, one of the largest sugar ports, annually, 200,000 piculs of oil.
Mei-luh, also an extensive sugar and oil port.
Chih-kan, annually, sugar, 40,000 piculs; oil, 80,000 piculs.
Lui-chow and Hae-kang, annually, sugar, 120,000 piculs; oil, 15,000 piculs.
Hwa-ken, annually, sugar, 80,000 piculs; oil, 15,000 piculs.
Su-wan produces sugar and oil.
An-poo produces sugar, oil, matting, tobacco, and large quantities of other produce.

The correctness of the above Return cannot, of course, be vouched for; but it will serve to direct attention to the nature of the productions of that part of China, from which the finest sugar, oil, and tobacco come to the Chinese markets.

At a distance of five days' journey from Lui-chow is Lien-chow, the city of the district of that name, bordering the Gulf of Tonquin. The nature of the country seems to be much the same as that of Lui-chow, as are also the products. On the coast are three important places, Peh-hai, Ling-shan, and Kiu-chow.

Of Lien-chow city I have not heard much. It is situated on a shallow tidal stream, and, except during the floods, is approachable only by boats of light draught. Prices of produce depend, therefore, very much on the season, the land carriage adding much to its

* This Sketch Map is not printed, as the districts alluded to will be found on the "Map of the Province of Kwang-tung," Inclosure 3 in No. 59.

cost. Nor, indeed, have I much information respecting Ling-shan and Kiu-chow, except that a very extensive trade is done there. Of Peh-hai (Pak-hoi in the local dialect) I have more particulars, which I will briefly give.

Peh-hai has a well protected port with a good anchorage. It seems to owe its present development to the disturbed state of the province of Kwang-si and the western districts of Kwang-tung. It is the port from which Macao has derived her trade in rice, copper cash, cassia lignea, aniseed, oils, &c. It is also the great outlet for rice from Kwang-si, which formerly came down the West River to Canton, a route that has been for some time and is now closed, owing to its occupation by the rebels. At one time Canton derived two-thirds of its rice supplies from this source.

When lately visited, a fleet of junks, 60 in number, had just sailed, and about 100 remained in port, loading for Macao and other places on the Canton River; also for Amoy and Chin-chew, the cargoes for the latter consisting principally of dark-leaf tobacco.

The resources of the country, as shown by the variety of produce to be seen in the place, appear to be immense. There were said to be large stocks in the interior which could be brought down when required.

In addition to the Kwang-si and Kwang-tung traffic, the route of which is through the city of Lien-chow to Peh-hai, there is an extensive trade with Kwei-chow, Yun-nan, Sze-chuen, and other provinces to the northward, which is carried on by means of relays of coolies. They bring down native opium, essential oils, musk, and other valuable products, the return loads being European goods, Chinese physic, &c. The traders come in bands of sometimes 300 individuals at a time. The country is said to be hilly, and the journeys occupy thirty days and upwards. The opium brought is well known at Canton, and worth, for the best, 4 taels 2 mace per catty. The demand for it at Lien-chow has fallen off since the French war in Cochin China, as its great consumers were in that country. There appears also to be no limit to the quantity in which it can be produced, but its production is at present checked by the disturbances in the country interfering with the transmission of capital in the form of advances to the growers, and dispersing the cultivators. At present about 500 chests come annually to Peh-hai, but 10,000 are said to be the amount produced.

I have seen this opium in cakes at Canton. It is reported as of good quality, but with a great deal of dirt mixed with it. It has not the strength of the Indian drug, and wants the peculiar flavour of the latter which opium smokers appreciate. This, I think, is owing to the defective mode of preparing it, probably in the drying process; for otherwise there is no possible reason why the poppy grown under the same conditions of climate as that of Malwa or Patna, should not equal the produce of these places. Another great mart for trade with Peh-hai and the ports at the head of the Gulf of Tonquin is the northern portion of An-nam (or Cochin China), which appears to be rich in grain, woods, coal, and metals, and all within the easy distance of two or three days of coasting voyage.

The following is a list of some of the articles to be found at Lien-chow and Peh-hai :—

Cassia lignea.	Native opium.
Cassia buds.	Musk.
Cassia oil.	Gongs.
Star aniseed.	Swan-pans.
Aniseed.	Coarse chinaware.
Aniseed oil.	Timber.
Tea oil.	Hardwood scantling
Leaf tobacco.	Scented woods.
Cut tobacco.	Paper.
Indigo.	Hemp.
Tea.	Gypsum.
Nutgalls.	Fish skins.
China root.	Ox skins.
Buffalo skins.	Cow tallow.
Buffalo horns.	Beeswax.
Glue.	Resin and tar.
Rice.	Saltpetre.
Wheat.	Matting for sails.
Peas.	Felt for shoes.
Tin.	&c. &c.

In fact, it would be difficult to enumerate the productions of a very rich and fertile tract of country, and the highway to the sea from Yun-nan, Kwang-si, part of Kwang-tung, and the provinces behind them.

Inclosure 3 in No. 105.

Notes of a Journey from Canton to Woo-chow-foo.

SINCE the conclusion of the Treaty of Tien-tsin, and the establishment of improved relations with the Government and people of the Province of Kwang-tung, this part of China has for the first time been thrown open to foreign travel. During the last two years, the country comprised within a circle of about 100 miles radius around Canton has been frequently traversed by parties on horseback, or in Chinese boats, and to some extent explored by steamers; and the great beauty no less than the diversity of the scenery discovered appears to prove an ever fresh attraction. It is a subject of general regret, however, that the descriptions of the interior of the province which are accessible to foreigners are meagre in the extreme—confined, in fact, to the hasty sketches written in former days by persons who travelled in disguise and at the risk of their lives, or to the untrustworthy accounts of the Roman Catholic missionaries.

Some slight contribution to the stock of knowledge of the interior of Kwang-tung may therefore be made in the following brief account of a voyage to the West River, recently accomplished by two steamers. Were the "Chinese Repository" still published, such accounts would doubtless ere this have been attracted to its pages; but that invaluable storehouse of facts and experiences relating to China no longer exists; and with the cessation of this, the most valuable work that has ever appeared in this country, vast sources of information have been closed.

For the benefit of those to whom the interior of Kwang-tung is quite unknown, it may be necessary to preface this account by stating that the delta and estuary known as the Canton River is formed by the confluence, about 100 miles from the sea, at a point some 30 miles west from the longitude of Macoa, of two great rivers, the North and the West, which, descending at right angles from great distances in the interior, pour their united floods into the sea by various mouths westward of Macao. Part of the waters of the North River percolate through two channels, known as the Tsze-tung and Lu Pao Creeks, in an easterly direction, and form, with other tributaries, the river on which Canton is situated. This, flowing southerly, receives below Whampoa the waters of the East River, the third great stream of the province, and issuing at the Bogue, unites around a labyrinth of alluvial islands with the waters from the West and North.

The main channels of these latter rivers being thus in the vicinity or to the westward of the Bogue, a steamer drawing much water can ascend to the interior only by a circuitous course among the islands, or by entering the principal mouth near Macao. A vessel of light draught can find its way, however, from Canton by what is known as the Lan Shek and Tsze-tung Creek to the junction of the North and West Rivers at San-shuei, a distance of about forty-five miles. Chinese craft, by passing through Fatshan, are able greatly to diminish this distance.

Leaving Canton (the steamer carrying a very small supply of coal, for the sake of light draught), at 7·30 A.M. on the 3rd of November, San-shuei was reached at 2·10 P.M. At this place the alluvial flats which form the rich and populous rice and silk districts around Canton are found to terminate, and what must have been the ancient coast line of the province is seen in the terminal range of the mountains through which the North and West Rivers flow. About two miles below the city of San-shuei (a wretched collection of ruins) lies the large manufacturing and business town of Sinan, with an estimated population of 20,000. Purchasers from the North River supply themselves with iron-ware and manufactured goods here.

A short passage, called the Sze Yen Kao, leads across the junction of the two rivers to the mouth of the West, which is marked by a white fort on a small island midstream. From this point to the head of navigation on the frontier of Yünnan, across the entire length of the Province of Kwangsi, is a distance of probably 600 miles; but from causes which will be explained farther on, steamers, and even Chinese vessels of large draught, are unable to proceed further than Wu-chow-fu, the frontier town of Kwangsi, about six miles beyond the boundary. Up to this point, however, the great advantage is enjoyed of a minute and most surprisingly accurate chart constructed by Lieutenant Bullock, R.N., during the gun-boat expedition which opened the West River to foreign acquaintance in January 1859. Since then the river has repeatedly ascended—thrice by steamers, and still more often by travellers in Chinese boats,—but scarcely a correction is practicable in this remarkable survey, in which every headland and pagoda is made distinctly recognizable to the least practised eye, and in which scarcely a rock or shoal known to the pilots of the stream is absent from its proper place.

The first point of interest in the ascent, after leaving White Fort, is the famous Antelope Pass or Shiu Hing Gap, a point at which the river's course is forced between

two mountain walls, which contract its breadth to a narrow channel, and present a scene of varied and imposing grandeur. The eastern mouth of the gap is distant sixteen miles from the White Fort. Midway lies the large Island of Kwangli, around the north side of which the river curves, forming a triangle of which the south side is the base. This, the shorter line, was impassable for the gun-boats in 1859, in consequence of a sandbank, which has since been swept away, and a depth of three and a-half fathoms is now carried all along the passage. The river before reaching the island has a breadth of about three-quarters of a mile.

Perhaps the time most favourable for arriving at the Gap is towards evening, when the shadows of the mountain gateway fall athwart the stream, and a narrow lane of waters is all that seems to remain of the noble river up which the observer is advancing, whilst at times, with the curves of channel, a wall of rock appears to bar altogether his onward course. On the left bank* rises Mount Straubenzee, a picturesque and prominent peak, below which the wooded Ting Hu Shan, famous for its monasteries, reposes in the gathering shadows. On the opposite bank confused masses of mountain bar the way, and hide from view the lofty peak, which is designated on the chart Mount Parkes. One of the three great stations for the levy of the war-tax is nestled in the village of Hou-li at the mouth of the Gap.

It should be noticed that on leaving Shan-shuei, one passes from the prefecture of Canton into that of Shao-k'ing or Shui Hing, a division of the province embracing thirteen districts, and extending from the mountains of Kwang-si to the coast. Passing though the Gap, the length of which is about four miles, the river is again found extending to a breadth of nearly 2,000 yards, but the depth, which in the narrow Gap is from ten to twelve fathoms in the dry season, diminishes here to about five to seven fathoms. Six miles farther, on the left bank, lies the city of Shao-k'ing-fu, or, in the local dialect, Shiu Hing. This city, once the residence of the Viceroy of the two provinces, has the remains of grandeur visible in ruins and in dilapidated walls, but, though still one of the finest cities in the province, has in itself little to repay inspection. A very extensive suburb lies on its eastern side, and partly lines the substantial bund, at least thirty feet in height, which testifies alike to the fury and the enormous rise of the summer freshets, known and dreaded, even at the distance of Canton, under the name of western floods. Two ancient pagodas stand near the bank, and two others are placed on the hills of the opposite shore. Not a city, indeed, in the province but boasts one or more of these noble landmarks, the true origin of which is still a subject of discussion. The every day Chinese, however, has a ready explanation for this, as for almost every doubtful question—to him, 'tis a symbol or a constituent of the all pervading Fung-shuei. This prime element of Chinese belief, commonly described, for lack of a better name, as geomantic superstition, deals with the influence of the cardinal points, the aspect of houses, hills, and trees, or the course of running streams, on the prosperity of the neighbourhood. If there be truth in Fung-shuei, a lofty pagoda on a high hill must bring good luck and literary advancement to those who dwell within sight; and every city in the province has taken care to secure this desideratum.

The great advantage of Shao-k'ing-fu is its beauty of situation. Fronting the noble river, the city enjoys a background still more imposing. A wide plain stretches from the rear of the hills, which line the Gap, and forms a rich surrounding to the city. Amid this plain, at a short distance from Shiu-hing, rise seven limestone rocks, in abrupt contrast to the granitic and schistose formations of the surrounding amphitheatre of mountains. These rocks, rising to a height of some 150 feet, beside their geological interest as remarkable formations, are also famous among the wonders of the province for their internal caverns, and for the monastic retreats which are built in hollows on their rugged, black, and almost inaccessible sides, whilst various superstitious legends are related in connection with each of them. The cavern in the rock nearest Shiu-hing is that most frequently visited. A passage traverses the rock from side to side, expanding in the interior into a noble grotto of some sixty feet in height, the cavernous recesses of which can only be fathomed by means of artificial light. At the extremity, a side grotto is fitted up as a chapel for the worship of Kwan-yin; and inscriptions in the living marble, dating from many successive centuries, testify to the devotion of the worshippers. The images in this chapel are all carved in the white marble of the rock.

Looking towards Shiu-hing, the view from this point is most lovely—a green plain of rice fields diversified with gentle rising grounds and extensive fish-lakes, the prospect bounded by the herbage-covered walls of the city, and crowned by the ancestral trees of the yamêns within, and the misty mountains in the South.

* It is scarcely necessary to observe, that the term right or left bank of the river is always used with the supposition that the observer is looking *towards* the river's mouth.

A devoted American missionary inhabits Shiu-hing, and the people have become so accustomed to the sight of foreigners, that no annoyance is experienced in the town. Almost the only place worth visiting within the walls is the site of the Viceroy's yamên, now grass-growing and showing only a few ruined gateways, but presenting a picturesque view.

The distance from this point to Canton viâ San-shuei, is about seventy-six miles. The passage-boats reach it in from 30 to 40 hours.

Having entered the Gat at 6 A.M. on the morning of November 4, the steamer passed Shiu-hing about 7·30 A.M., and proceeded up-stream without stopping. The plain described above, after touching the river at a point above Shiu-hing, again gives way to mountains, and the river winds through another hilly passage, of less imposing grandeur, however, than the Antelope Pass, which is known by the name of the Hibiscus Gap. From this point to unknown distances in the interior, and certainly for upwards of 100 miles to Wu-chow-fu, a constant, yet charmingly changeful succession of mountain scenery forms the landscape and delights every beholder. For many miles, the river, varying in breadth from 600 to 1,500 yards, flows between perpendicular walls of mountain, the rugged primary strata of which are denuded for many feet above the present level by the rush of the summer floods; whilst the "heights upon heights" above are scantily clothed with herbage, or sometimes with scanty growths of pine. In other reaches, the hills on one side or the other recede, in tortuous lines, which give access for the vision to seemingly endless depths of mountain regions in the distance; while the level ground between them and the river is studied with secluded villages, and vivid, at this season, with the tender green of the sugar-cane, broken by plantations of almost indescribable gracefulness, of the feathery bamboo. The gentle slope of the bank, where these alluvial valleys occur, where it is uncovered by the fall of the river to a depth of from twenty to thirty feet, is utilized for winter crops of sweet-potato, ground-nut, and wheat.

Sixteen miles above Shiu-hing, on the left bank, lies the town of Lukpu, the residence of a petty magistrate. Some ten miles further lies the village of Yüt-shing, at which a noted temple to the "Mother of the Dragon," a divinity who is the special patron of wayfarers by water, receives the homage, in the shape of joss-paper burnt, crackers discharged, and offerings laid out in the bow from every passing boat.

A few miles further, and still on the left bank, another phenomenen appears in the shape of the Cock's Comb Rock, a grotesque ridge of limestone, metamorphic in appearance, abruptly thrown up on the river's brink, the long, jagged outline of which has evidently suggested the name. Though seemingly isolated where it stands, the direction of this rock points to a connection with the (yet unexplored) limestone mountains known to exist in the Tung Ngan district, to which the opposite shore belongs: and it may also be presumed that further inquiry would bring to light traces of the same formation extending in a north-easterly direction as far as Ying-tê on the North River, a region known to exhibit extensive limestone formations.

Still winding through successive stages of mountain scenery, the river in its bends appearing to form a chain of Highland lochs, the departmental city of Tê-hing Chow or Tak-hing, distant about sixty miles from Shiu-hing, is at length reached. The usual pagoda and massive clumps of foliage are all that distinguish the spot, which might be passed almost unnoticed, but for the few boats and salt junks, with a guard boat or two, lying at the foot of the cultivated embankment. The traveller has long ere this been impressed with the desolate stillness of what should be a noble artery of commerce. Long reaches of river without disclosing a sail—mile upon mile of uninhabited shore—alike testify to the ruin that descended with the banditti of 1854 from the mountains of Kwang-si. Swept from its sources to its mouth by perpetual ravages of this pestilence, the West River has indeed become a silent highway, waste and unused. The desolation wrought upon its banks by this scourge is the least part of the evil. The interruption of all intercourse with the Provinces of Yûnnan, Kwei-chow, and Sz-chwan, whose mineral wealth and vegetable productions formerly poured down this stream to their chief practicable outlet at Canton, is the misfortune which has caused the cessation of traffic. Here and there a few village boats laden with indigo or oil, or larger craft carrying paddy or firewood, are seen dropping down the river to seek a market; whilst now and then a convoy of salt junks are seen creeping up the stream; but no animation is perceptible. Even the river pirates, once so formidable here, have deserted the unprofitable field.

Passing Tak-Hing, the steamer anchored, on the second evening of her voyage, at the entrance to another Gap, known locally as the Sucking Pig Pass. On the following morning, after emerging from this pass, a noted landmark was seen towering in the early sunlight, which illuminates the rugged prominence of its granite face with peculiar effect. This is an extraordinary freak of nature, called by the Chinese the Flowery Monument

Rock—a hill of some 800 feet in height, the summit of which assumes the appearance of a gigantic and almost circular boulder, whose flattened face bears a vague resemblance to that of the Cairene Sphinx, while on the reverse a rugged slope connects it with the montain side. To reach the summit of this projection is considered a feat of unusual daring among the Chinese, who record with wonder an ascent once accomplished.

The river here traverses, on its left, the district of Fung-chwan, and on its right the district of Si-ning, in the department of Lo-ting-chow. Numbers of boats being observed moored at short distances along the southern bank, with groups of peasants surrounded by their household chattels, and buffaloes tethered or grazing near, it was ascertained on inquiry that these unhappy people were refugees driven from their villages by an incursion of robbers from the Kwangsi frontier, who, to the number of 4,000, had surprised the city of Si-ning on the night of October 24, and were ravaging the neighbourhood, carrying off the women and children, grain and cattle. The homeless villagers, whilst gazing on the novel spectacle of a steamer in their waters, eagerly inquired whether she had arrived to expel their oppressors.

At a short distance beyond this point, the flourishing town of Tu-shing is passed on the right bank. Here a hill beyond the town was bristling with a stockade, in which a garrison was seen assembled. The mountains near this point recede, and low hills skirt the river's course, with extensive stretches of level country. At a distance of twenty-eight miles from Tê-K'ing, the district city of Fung-chwan is passed on the left bank, a picturesque little place, nestled in the usual massy depths of banyan foliage, through which only occasional glimpses of the wall are obtained. A few miles further on, the entrance to the only respectable tributary of the West River in all this distance is reached—a stream of about 100 yards in breadth, which runs down from the K'ai-kien District, and the north-eastern mountains of Kwang-si. The frontier of this latter is not now distant. The boundary line is but eight miles from Fung-chwan, and the city of Wu-chow-fu lies some six miles further on. The last angle in the river is at length turned, and far in the distance appears the wooded island which marks the termination of the journey. A local tax-office next shows itself amid the thicket on the right bank, and a few rods further the steamer floats for an instant in two provinces at once. A boundary-mark exists on the right bank only, and consists in two leafless trees, planted in close contact, and apparently long since dead. They stand half-way between the water-line and the top of the embankment. Many legends are connected with these trees, which are gravely reported by the pilot to have stood there for 2,000 years, without ever putting forth a leaf or twig.

At 3·15 P.M. on November 5, two days and a-half from Canton, anchor was dropped at Wu-chow-foo. Though the river is here close upon a mile in breadth, with a depth of three fathoms within hail of the shore, no further progress can be made. Immediately above Wu-chow the river is traversed by lines of rock, covered in some places with only a foot or two of water, between which a tortuous channel winds, which is practicable with difficulty even for Chinese boats. Some miles higher up these rocks appear at the surface, forming very dangerous rapids, and still further below the city of Tsun-chow-foo, about 120 miles distant, navigation is attended with great hazards. It is nevertheless to be regretted that no explorations have been carried beyond Wu-chow-foo. Of the interior of Kwangsi absolutely no information is derivable from sources other than Chinese; and it is to be feared that in its present disturbed condition some time must elapse before explorers will be tempted to penetrate its wilds.

What is known of the province, as gathered from Chinese accounts, may be summed up in a few words. Almost its entire extent is occupied by mountains, except where the valleys of the West River and its branches create an alluvial plain, well adapted to the culture of rice. Five-sevenths of its superficial area probably consists of unproductive mountains, affording secure retreats to the robber-bands who have haunted the province from time immemorial, and formed the nucleus of the existing T'ai-Ping rebellion. Large regions are inhabited only by savage tribes of the Miao-tze, who preserve to this day their aboriginal language, features and customs amid the civilized populations whose terror they have always been. From these mountains descend the streams which converge from almost every direction to form the river which rolls past Wu-chow to the sea. Though sparsely populated and difficult of access, these regions are cultivated with growths of cotton, ground-nut for oil, indigo, and cassia, whilst the hill-sides are, or once were, the grazing ground for multitudes of the hardy and agile ponies which are such favourites at Canton.

Though now obsolete, and retained only *pro formâ* in the statistics of the Empire, the former estimate of the annual land-tax for the two provinces may be taken as indicating their relative wealth. Whilst Kwang-tung is assessed at 1,264,304, taels, the land-tax of Kwang-si is only placed at 416,399 taels.

Wu-chow, as a town, is quite as uninteresting as the usual run of Chinese cities, and more dirty. It has suffered in no ordinary measure the vicissitudes of war, as its ruined streets and yamêns sufficiently testify. It occupies the angle formed by the West River and a fine tributary which here joins it,—the Kwei or Cassia River—flowing direct from the north, from the capital of the province, Kwei-lin-foo, 300 miles distant. Though of considerable breadth and depth at its mouth, it is said that a few miles higher the dimensions are wofully contracted, and only very small craft can proceed as far as Kwei-lin-foo. The traffic down this stream consists of cotton, rice, and oil, whilst the monopolized staple, salt, is the principal article that ascends.

Flowing east by north at Wu-chow-foo, a fork is seen in the West River about two miles above, caused by a large island. The southern fork is the high-road to the district of Têng, now, with its neighbours, harassed by rebels. Six days' journey by boat brings the traveller to Tsun-chow-foo, a city at which two important rivers unite. This is the head-quarters of the cassia-cultivation, but the entire vicinity is now overrun with rebels; against whom the Governor of Kwangsi is manœuvring in person. Past this city, moreover, flowed the traffic in former days with Yun-nan and Kwei-chow.

Very few signs of ease or flourishing trade are noticeable at Wu-chow-foo, though the city was once the depôt of a considerable trade. No foreign goods are seen in the shops, but opium, partly the growth of Yun-nan, seems abundantly consumed. The people, though inconveniently inquisitive, do not indulge in abuse of foreigners.

By leaving Wu-chow in the morning, it is quite possible for a steamer to have left the mouth of the West River behind by night, as a swift current runs down at all seasons. In November its force is probably two knots at the least. In descending, however, this facility of progress tempts one to loiter and land at many points of interest which must be hurried past in the ascent; and it was not until noon of the fifth day from Canton that the steamer again reached the White Fort of Kin Sha-tow at the point where the waters of the North and West Rivers mingle.

By turning off *viâ* San-Shuei again, it is possible from this point to reach Canton in a very few hours; but a much more interesting route may be traversed by descending the Broadway, or lower course of the North and West Rivers, and regaining Canton by a circuit through the silk districts.

The steamer's course is accordingly for many miles almost due south. The magnificent river, after pouring near the point of junction through a narrow passage between two hills, known as the Horse's Mouth, enjoys a breadth seldom falling below three-quarters of a mile, and is bounded on either side by fertile stretches of thickly populated country. Far away to the right are seen the mountains of Kao-ming and Ho-shan, well known for the teas produced upon their slopes; while the opposite shore is green with sugar-cane, or cultivated in vast fields with the mulberry shrub, now entirely leafless and about to be cut down. Eastward, between the river and Canton, rises the beautiful range of the Si-chiao-shan, a mountain of about 900 feet in height, and ten or twelve miles in length, which is famous in the province for its picturesque scenery and rich surroundings. A more smiling scene than this landscape presents on a sunny evening can scarcely be imagined; and the peaceful features of the prosperous combination of alluvial plain and gently sloping hills, are perhaps best appreciated when fresh from the grand but desolate defiles of the river's upper course.

As one descends, traffic is seen to increase, and if the voyage is prolonged to a distance of about fifty miles from the Horse's Mouth, as far as the port of Kiang-mên or Kong-mun, evidences of a most flourishing trade and very large population become manifest. To reach Canton, however, by the shortest route, it is necessary to strike off to the eastward at the town of Kum-chuk, and to leave the great river for a labyrinth of inner creeks. Rocks in the bed of the stream cause a rapid or "overfall" at Kum-chuk, which must be shot over with some difficulty and danger, and in ascending which the Chinese craft are called upon to expend most toilsome efforts and hugh quantities of joss-paper. After passing this rapid—a feat on the part of the steamer which calls forth the entire population of the place—the Shun-tê district is entered, and with it the best-known silk-producing regions. Kow-kong has already been passed, and Lung-kong is indicated a few miles a-head by a pretty pagoda standing at the foot of the Dragon Hill, or Lung-shan, a symmetrical ridge, the outline of which has evidently suggested its name. The large town of Luk-low, also known to silk-inspectors, is next traversed.

The country here on both banks is almost exclusively cultivated with mulberry, the leafless twigs of which at this season detract greatly from the charm of the landscape. the ingenuity of the Chinese has turned to good account the necessity of a dry situation for this plant. Ground elevated above the reach of floods does not exist by nature in these alluvial levels; but by excavating extensive spaces, soil has been obtained for raising th

land to the necessary height, while these hollows are utilized as fish-ponds, in which perennial supplies of food for the Canton Market are produced.

Duly to describe the silk-districts should be a separate task; suffice it then to say that, after traversing these fertile regions, and passing through the busy port of Chén-tsun, distant about twelve miles from Canton—which, with Kong-mun, is the centre of a large junk-trade with the north of China and the West Coast—anchor was finally dropped at Canton on the afternoon of the sixth day.

It only remains to note the distances. From Canton to Shao-k'ing-foo is about 75 geographical miles; to Wu-chow-foo about 200 miles; from Shao-k'ing-foo to Fort at entrance of West River, 26 miles; thence down to Kum-chuk, 34 miles; from Kum-chuk to Canton, 24 miles.

For the benefit of sportsmen, it should be added, that game does not abound in the regions traversed. On a former expedition, one pheasant was seen in three days' exploration of the mountains betwesn Shiu Hing and Wu-chow-foo; but duck and teal are frequently seen along the entire course of the river.

Inclosure 4 in No. 105.

Memorandum (inclosed in Consul Robertson's despatch of May 13, 1868, to Sir R. Alcock, with reference to the Inland Towns of the Province of Kwang-tung).

Shao-chow-Foo.—A LARGE walled city, situated on the North River, near the boundary of the province. It is known to be a place of considerable importance. The Tae-ping-Kwan inland Custom-house is placed there, and it is on the direct route to the provinces of Hu-nan and Kiang-si. Very little is known of its trade. The communication from Canton is by the North River. Distance about 140 miles.

Shao-king-Foo.—Situated on the West River, about 90 miles from Canton, with which it communicates by branches and canals, debouching into the West River. It has a population of about 20,000, and was formerly the capital of the province. The trade has no particular features.

Shih-lung.—On the East River, about 40 miles from Canton. A place of considerable importance, with a population of some 40,000. There is a large trade with Hong Kong and Canton, Fu-shan (Fatshan), and other places, in refined sugar, oil, &c.

Po-lo-Hien (Pok-lo).—Also on the East River, about 100 miles from Canton, with a population of about 10,000. A walled city, and a place of some importance also.

Hwei-chow-Foo.—On the East River also; some 12 miles beyond Pok-lo; with a population of between 40,000 and 50,000. It is divided into two walled cities, one on each side of the river where the Tam-sui River debouches, and connected by a bridge of boats. The large number of junks and passage-boats affords evidence of considerable trade.

Fu-shan (Fatshan).—About 15 miles from Canton, and approached by a network of canals. The population about 500,000; noted for its manufactures of paper, iron-castings, common crockery ware, and various articles, among others, bricks and tiles. As a place of trade it is second in importance to Canton alone. The shops are large, and well-furnished with goods, and there is every appearance of wealth and prosperity. During the occupation of Canton by the Allies, the trade was transferred to Fatshan, and it has not since declined.

Tai-leung (Shun-teh).—The capital of the Shun-teh district, about 40 miles from Canton, with a population of about 40,000; and, like Fatshan, the centre of a network of canals. It is the principal place in the silk districts, and of considerable importance, and much trade; the country around is densely populated.

With all these places, and Canton, a constant communication is kept up by passage-boats and junks of all kinds, the water communication being uninterrupted and perfect.

There may be other towns in the interior of equal importance, but I have little or no information about them. I have been up the great West River, second only to the Yang-tsze in size, as far as Woo-chow-foo in Kwang-si, some 194 miles. The towns, however, were poor in appearance, and there was little evidence of trade. It is apparent, therefore, that the centre of commerce is the rich alluvial district that surrounds Canton in a radius of 150 miles; and, beyond that, as far as I have seen, mountain-land, ancient, and rather dilapidated walled cities, and a sparse population, prevail.

The Custom-house and tax stations are:—

North River. Inland Custom-house, Shao-chow-foo. Tax station, Lu-pao.

West River. Tax station, How-li, near Shao-king-foo.
East River. Tax station, Paksha, near Shek-lung.

Beside these, there are numerous petty district stations for the levy of a small local taxation, frequently represented by a boat anchored off some creek with a collector or two on board by which the magistrate ekes out his scanty income.

(Signed) D. B. ROBERTSON.

Inclosure 5 in No. 105.

Map of the Province of Kwang-tung.

[See Inclosure 3 in No. 59.]

No. 106.

The Earl of Clarendon to Sir R. Alcock.

Sir, *Foreign Office, May* 18, 1869.

I HAVE received your despatch of the 18th of March, reporting a conversation you had with the Chinese Ministers respecting Treaty revision and missionary troubles; and I have to acquaint you, in reply, that Her Majesty's Government entirely approve the language you held during this very interesting conversation.

I am, &c.
(Signed) CLARENDON.

No. 107.

The Secretary to the Board of Trade to Mr. Hammond.—(Received May 20.)

Office of Committee of Privy Council for Trade,
Sir, *May* 19, 1869.

IN reply to your letter of the 4th March, I am directed by the Lords of the Committee of Privy Council for Trade to request that you will inform the Earl of Clarendon that they have carefully considered the various questions raised in the correspondence transmitted to them by his Lordship on the subject of the commercial relations between this country and China, more especially in connection with the proposed revision of the Treaty of Tien-tsin.

Two distinct and conflicting lines of policy are presented for the consideration of Her Majesty's Government on the occasion of a revision of our Treaty relations with China:—

1. To insist not only upon the effectual execution of existing engagements, but also upon new and important concessions with a view to what is called "opening up" China to foreign trade, and introducing Western civilization into the Empire.

2. To confine the present negotiations to the assertion of admitted Treaty rights essential to the gradual progress of foreign trade, to the removal of such defects in the Chinese Administration affecting foreign trade, as the Chinese Government is willing and able to undertake to remedy, and to the acceptance of some spontaneous concessions.

It appears to my Lords after reading this correspondence that if any doubt at any time existed as to the impossibility of obtaining at the present time, except by force, the larger concessions which are called for by the mercantile body in China, such as the right of residence in the interior and of working mines, the introduction of railroads and telegraphs and inland steam navigation—such doubts can no longer be entertained.

Sir R. Alcock, who at some stages of the transactions under review, especially at the date of his despatch of the 10th November, 1868, seems to have been to a certain extent under the influence of his more sanguine, and less responsible, diplomatic colleagues, and of the order of ideas inspired by the display of force at Yang-chow, arrives, at the close of the correspondence, at the conclusion that the results of the labours of the Mixed Commission, reported in his despatch of the 6th December, 1868, are all that can be obtained by negotiation at the present time; and that unless Her Majesty's Government is prepared to resort to other means than those which he has felt authorized to employ, and with a clear contingency of war for the attainment of the main points insisted on by the merchants and by his colleagues generally as alone important and essential to all

effective progress, they must be content with much less, and with the somewhat vague hope of gradual progress.

My Lords believe that this view is moreover shared by Mr. Wade, with whom, in accordance with Lord Clarendon's suggestion, they have conferred upon this subject, and by many other persons whose opinion is deserving of great consideration.

It is true that the Memorials which have been addressed to Her Majesty's Government and to Sir R. Alcock by the British mercantile body in China are generally in favour of what is termed a more vigorous policy, and that the language of the foreign Representatives at the Court of Peking, and especially that of the United States' Minister, Mr. Ross Browne (although even that gentleman himself admits in his letter to Sir R. Alcock of 17th December, 1868, that "all has been accomplished which can at present be achieved by diplomatic means"), lead to the inference that they incline to the same view.

It is unnecessary for my Lords to observe that they have every disposition to give due weight to the representations of those who are more directly interested than any other class of Her Majesty's subjects in the question under discussion, but they cannot forget (as is stated in Sir R. Alcock's despatch of the 23rd December last) that "our position in China has been created by force—naked physical force; that any intelligent attempt to improve or maintain that position must still look to force in some form, latent or expressed, for the results;" and the responsibilities and sacrifices involved in the exercise of force must fall upon the British nation, and not upon that section of its people which is engaged in the trade with China.

The same remark applies with scarcely less weight to the case of the Representatives of other countries at Peking. Any policy which led to the interruption of peaceful relations with China would be attended with far greater danger to British interests than to those of other nations, and in advocating a course liable to such contingencies both merchants and Ministers are urging on a policy in the fruits of which, if successful, they would largely share, and in which the consequences of failure would fall chiefly upon other interests than those which they represent.

The course, therefore, which my Lords would recommend for the consideration of Her Majesty's Government under existing circumstances is as follows:—

1. To endeavour to arrive at an understanding with the Government of China by which the formal revision of the Treaty of Tien-tsin may be deferred until the majority of the Emperor, which Sir R. Alcock states will take place in 1872 or 1873. Such a postponement of the revision is in my Lords' opinion desirable for three reasons:

(*a.*) There will then be a "personal and tangible" power with whom to deal.

(*b.*) It may be hoped that in five years there may exist a greater disposition to extend foreign trade and relations than at present.

(*c.*) The claim for revision will then coincide in point of time with that of the last Treaty Power entitled to prefer it, and it may be hoped that the simultaneous action and co-operation of all those Powers may then be secured.

2. That in the meantime, and pending such general revision, Sir R. Alcock should be instructed to obtain, if possible, the consent of the Chinese Government to such arrangements as they have already expressed their willingness to adopt in view of an immediate revision, such arrangements to be effected either by a short Convention, if this be necessary, or by independent action.

These arrangements are stated in Sir R. Alcock's despatch of the 6th December, and are the result of the negotiations conducted by the Mixed Commission which was appointed at his request to arrive at a preliminary understanding as to the bases of revision.

My Lords will enumerate them in order, and whenever necessary make such remarks upon them as occur to them in connection with the questions to which they respectively refer:—

1. *Transit Dues.*

This proposal is nothing more than a literal fulfilment of existing stipulations in the Treaty of Tien-tsin, and involves no new concessions whatever.

The question of transit dues is stated by all the authorities on this subject to be the next important point in connection with the present negotiations. A considerable difference of opinion exists in different quarters as to the precise nature of the claims which, in virtue of the 7th Supplementary Treaty rule, in execution of Article XXVIII of the Treaty of Tien-tsin, Her Majesty' Government is equitably entitled to assert.

My Lords entertain no doubt that the view expressed in some of the Memorials, and even at one time by Sir R. Alcock himself, viz., that the payment of the transit dues ought to be held to exempt the goods upon which it has been paid from all subsequent internal

taxation, and to insure the sale of the goods to their ultimate consumer with no enhancement of cost derived from taxation, save that represented by the import and transmit duties, is a view which cannot be entertained by Her Majesty's Government. There is nothing in the terms of the Treaty which appears to my Lords to justify such a sweeping demand, and in view of the internal taxation to which native goods are subject in China, it would be in their opinion both unjust and inexpedient to enforce such a demand, even if it were warranted by the terms of Treaty stipulations.

All that Her Majesty's Government can claim in this respect, appears to my Lords to be, that in the Treaty ports the importer shall have the right to sell his goods in the market, after payment of the Customs duties stipulated, and that he shall have the right to send goods to any internal market which he may select, free from any other charge than the Customs duty on importation, and the stipulated transit duty; but that both at the port, and at the internal market, when once the goods have passed out of his hands they must take their chance in common with native goods, and bear whatever impositions the rapacity or necessities of Chinese administration may inflict.

It must also be remembered, that the imperfect execution of the Treaty of Tien-tsin in this particular, is due not alone to the weakness or inaction of the Chinese Government, but also to the fraudulent evasion by British merchants of the obligations and conditions which it imposed.

My Lords refer to the sale of transit certificates to the Chinese, by which malpractice the difficulties in the way of a just administration were greatly increased. A stricter execution of the stipulation on the English side should be, if possible, enforced, as well as on the part of China.

Under these circumstances my Lords are of opinion that the arrangement which, after much discussion and correspondence, appears to have been considered satisfactory by Sir R. Alcock may be approved by Her Majesty's Government. The terms accepted by the Yamên seem in themselves perfectly equitable, and entirely in accordance with what my Lords believe to have been the intention of the stipulation to which it relates. It is to be hoped that the renewed adhesion of the Chinese Government to the principle therein asserted, and the measures which they propose to take with a view of making known and enforcing the provisions of the stipulation will operate in diminishing and restraining, if not in removing, the obstructions caused to the circulation of foreign-owned goods in the interior by the exactions of the Provincial Government.

The general character and principles of this arrangement are as follows:—

"1. To allow all foreign goods to circulate freely on payment of import duty and transit due together.

"2. To enable all Chinese produce to get to foreign markets, after payment of transit due and export duty simply.

"3. To place native produce, with the exception of Government monopolies, such as salt, to be traded in, in China, on the same footing as it is when traded in, in China, by Chinese."

These general principles appear to my Lords to have been observed in the arrangements ultimately proposed by the Chinese Government, and they think they should receive the approval of Her Majesty's Government subject to any modifications of the details which further experience may have led Sir R. Alcock to deem desirable.

2. *Free Admission of Ship and Dock Stores, &c.*

By the second Rule of the Agreement of Shanghae of 8th November, 1858, under the head of "duty free goods," foreign clothing, household stores, ship stores, personal baggage, &c., are exempted already. It is proposed to extend this exemption to dock stores and to all articles destined for foreign consumption exclusively, and not for sale to Chinese. This is a very liberal concession.

3. *The Repayment of Drawbacks in Money during any current Quarter.*

Sir R. Alcock appears to have done his best to obtain a longer term for the repayment of drawbacks in specie, but the Chinese Government decline such extension on grounds which are plausible, and as the concession is proposed without any limitation of the time during which certificates of drawbacks may be received in payment of import duty, it is a new facility accorded to foreign trade, and is so far satisfactory.

4. *The Establishment of Bonded Warehouses at the Ports where they are desired.*

This measure will greatly diminish any inconveniences resulting from the regulations with respect to drawbacks, and afford, it is hoped, valuable facilities to trade. Sir R. Alcock

is fully alive to the importance of establishing such warehouses on a proper system, and my Lords have much confidence in the probable results.

5. The Reduction of the Tariff on certain Articles.

My Lords gather from the correspondence, and especially from the "Memorandum on Tariff Revision for communication to Tsung-li Yamên of the 5th of September, 1868," by Sir R. Alcock, that he is of opinion a general revision of the Tariff is at the present time undesirable, and that as the Chinese Government will not consent to a reduction of duty on the twelve articles enumerated in the Memorials, except on this condition, that it will be better to leave this question of Tariff revision at rest for the present.

My Lords are much disposed to concur in this view; but they would have been glad of more information as to the incidence of the export duty on tea.

The Foo-chow Memorial declares the average amount of the tax to be 10 per cent., and the Amoy Memorial estimates it on common kinds at 35 per cent.

On the other hand it has been made a subject of discussion, whether the export duties on tea and silk might not be equitably raised in the interest of the Chinese revenue; and as this is a question of very great importance, as affecting in a vital manner our commercial relations with China; it is essential that there should be no hesitation as to the language which should be held on the subject by Her Majesty's Representative in China.

The price of China tea in bond in the United Kingdom has arisen from 1*s.* 2½*d.* in 1856 to 1*s.* 7⅛*d.* per lb. in 1866. Owing no doubt, in a great degree, to the stimulus given to consumption by the reduction of the British import duty.

If any attempt were made by the Chinese Government to impose heavier export duties on this article it would entirely neutralize the policy of Her Majesty's Government in their endeavour to relieve the English consumer from taxation in an article of primary necessity, and transfer a profitable revenue from the British to the Chinese Treasury.

On the other hand the position of Her Majesty's Government on this question is one which cannot be defended on any ground of reason or equity. To insist on the Chinese Government confining their tax on tea to 5 per cent., in order that the British Government may be enabled to impose 30 per cent., on its importation into the United Kingdom, is a course which could only be taken with a Government which yields to force and not to argument.

But nevertheless an increased export duty on tea in China would be equally injurious both to our fiscal and commercial interests; for as tea constitutes the most important of the two only articles of trade largely exported by China to this Country, and as the value of the goods exported from the United Kingdom and from British India to China exceeds already the value of the goods exported by China to the United Kingdom and to British India, a still greater character of inequality and uncertainty would be imparted to the China trade than that which even now exists.

Any discussion, therefore, at present which is calculated to raise such a question should, in my Lords' opinion, be deprecated.

An increase in the export duty on silk, though not involving the same fiscal difficulty, would, on commercial grounds, be scarcely less unfavourable; and as this is a question in which France and other countries are equally interested, Her Majesty's Government stands in a less invidious position with respect to it.

It is to be regretted that the Chinese Government persist in their refusal to liberate the trade in salt; but as no effort has been spared on the part of Sir R. Alcock in urging it upon them, nothing more can be said.

6. The Abolition of Coast Trade Tea Bonds at the Riverain Ports.

This appears to have been urged by the Hankow Chamber of Commerce, and will, it is presumed, be regarded with satisfaction by the commercial interest which it concerns.

7. The Equalization, as far as possible, of the Payment of Duties by fixing the Touch of Sycee at each Port.

The advantage of this measure is evident.

8. The Erection of Landing-Stages on the Yang-tsze.

The object and utility of this concession is fully set forth in the correspondence. My Lords observe, however, that the Yamên are only willing to make provision for three additional landing-stages between Chin-kiang and Hankow, and evade the concession of them at points above Hankow. It may he hoped that if the general revision of Treaties

takes place a few years hence this system may be extended higher up the river, as there would appear to be no direction in which trade can be extended with less risk than by steam communication along the Yang-tsze and other great rivers.

9. *The Opening of one or more new Ports.*

The policy of urging on the Chinese Government this measure is one upon which very different opinions are entertained. The mercantile body in China, as represented in the Memorials are, on the whole, rather unfavourable to any great extension of the number of Treaty ports; but as such a measure would have for its object rather the creation of new openings for trade and the introduction of new competitors into the field of enterprise than the benefit of existing interests, my Lords are not surprised at the attitude of the Memorialists on this question.

This opinion is, however, shared by Mr. Winchester and Mr. Robertson, and other persons of experience in China, and is supported by many arguments which appear to my Lords to possess much weight both on political and commercial grounds to which they will advert further on.

Mr. Wade attaches very great importance to this measure, which he evidently regards as the soundest and most legitimate method of increasing and consolidating our commercial relations with China.

Sir R. Alcock holds a middle course between these opposite views, and evidently thinks that much may be said on both sides.

My Lords are of opinion that if it were held to be desirable to endeavour at the present time to extend materially our Treaty relations with China, it is in this direction that such efforts should be made; and they think it probable that by the creation of well-selected new ports a certain expansion of foreign trade would be produced.

Such a policy, however, appears to my Lords to be attended with so much doubt at the present moment, and the interest of the Chinese Government is so clearly in the direction of taking the initiative in its adoption, that they are indisposed to recommend that any pressure should be placed on the Government at Peking by Her Majesty's Government on this question, so that the responsibilities attendant upon such a measure should thus be made to rest upon the Chinese themselves.

If new ports are opened to foreign trade at the instance of Her Majesty's Government it will probably be found necessary to create Consular Establishments at them, whether these are really essential in the interests of British trade or not; and although it may be desirable under the present conditions of foreign trade in China that, as a general rule, Consuls should be stationed at all open ports, this may not always be the case, and will probably become less and less important as the function of distributing foreign goods in China passes more and more into the hands of native merchants.

On every ground it will be better that the hands of Her Majesty's Government should be kept perfectly free in this respect, so that in the extension of the Consular system in China they may be guided by the proved, and not by the anticipated, requirements of British trade and shipping.

It is beyond the province of Government to determine beforehand the places which the future course of trade may enable to assert a claim for Consular Establishments, and the only safe and just principle to be observed in providing new Consulates is to create them only in places at which experience has shown that the trade both demands and justifies them.

10. *The Working, in the Vicinity of one or more of the Treaty Ports, of Coal Mines, with the aid of Foreign Skill and Machinery, and all the necessary Facilities for Cheap Transport to the place of Shipment.*

This proposal is a very judicious one in every way, and its adoption is one of the few matters which can be urged on the Chinese Government without any fear of other than beneficial results, but it seems to be hardly of a kind to be made the subject of an international agreement.

11. *The Concession of the Right of Navigation in Inland Waters to Foreign Vessels not Steamers. This Restriction to cease when the Chinese Merchants employ the latter themselves.*

My Lords are inclined to think that the immediate necessities of foreign commerce in this direction will be adequately met by this concession, and they are even disposed to believe that it would have been safer not to accept it. It will, in their opinion, be

necessary that any British vessels which may engage in this trade should be placed under strict guarantees for good behaviour, and subjected to penalties for any breach of the law. A system of licenses will probably be the best method of securing this result. They would strongly deprecate the introduction of steam-navigation in inland waters by foreigners under Treaty rights, until the Chinese are more familiar with these modern agencies, and the native merchants are themselves prepared to adopt them.

My Lords are quite unable to share the views of the Memorialists and the foreign Representatives, and even of Sir R. Alcock, on this subject. They believe that the unrestrained introduction of foreign steamers into inland waters, in the present condition of China, is a measure which would be attended with considerable risk, and when it is recollected that the coast trade of the United Kingdom was only opened to foreign ships in 1849, and that in one of the most civilized countries in Europe, and in the United States of America, foreign ships, both sail and steam, are excluded even from the coasting trade, they think the language held on this question towards the Chinese Government quite unreasonable, and they are disposed to regret the pressure which has been placed upon them by Her Majesty's Minister.

12. *The Introduction of a Steam-Tug on the Po-Yang Lake.*

There appears some divergency of opinion as to the value of this concession; but as the beginning of a system of inland steam navigation it may be useful.

13. *The Adoption of a Written Code of Commercial Law, and fixed Rules of Procedure and Practice, and a better Constitution of Mixed Courts for its Administration in all cases of Civil Suit between Foreigners and Natives.*

This is a matter of very great importance. A written code of law, to which both nations can appeal as a guide in disputes, will remove a fruitful source of misunderstanding and difficulty; while this and Mixed Courts of Justice in civil actions cannot fail to be productive of unqualified good in placing our commercial relations on a sounder footing, and raising the standard of commercial morality.

The Chinese Government appear to have intimated their intention to depute a competent officer to confer on this subject with Sir E. Hornby at Shanghae, and my Lords would suggest that Sir R. Alcock should be instructed to call upon that gentleman to submit to Her Majesty's Government, with as little delay as possible, a statement of his views as to the best method of giving effect to these arrangements.

14. *The Issue of Proclamations recognizing the right of Foreigners to travel freely in the Interior for the Purposes of Trade, and to hire Lodging and Accommodation for their Produce and Goods.*

This is an act of Chinese administration, with a view of enforcing the observance of engagements under existing Treaties, and calls for no observation from my Lords beyond the expression of their belief that, if effectual, the rights herein recognized are quite sufficient for present purposes in the interest of peaceful and permanent relations with China.

Having thus commented on the various points upon which the Yamên have expressed their readiness to entertain proposals, my Lords will over a few observations on the principal questions raised in this correspondence, upon which it has been found impossible to induce the Chinese Government to yield to the British representations.

These are—

1. The right of residence by foreigners in the interior, with that of renting stores and godowns at great internal centres.

2. The introduction by foreigners of railroads and telegraphs, and of steam navigation on lakes and inland waters.

3. The right to work mines in the vicinity of ports.

While giving full credit to Sir R. Alcock for the general moderation of tone and for the great patience, care, and ability which he has displayed throughout these difficult negotiations, and bearing in mind the strong pressure which has been placed upon him by his colleagues and countrymen in China, my Lords are unable to regret his failure in obtaining concessions from the Chinese Government on these points.

They believe that the first of these, viz., right of residence in the interior of China, accompanied, as it must at present be, by "exterritoriality," would be attended with grave political danger and very doubtful commercial advantage, even if the former did not ensue.

The case might be more easily dealt with if China were treating with only one foreign Power, although even here my Lords would have advised that efforts in this direction should have received no assistance from Her Majesty's Government; but with England, Russia, the United States of America, France, Germany, and other countries, all in the field, and all claiming exterritorial privileges, and all with their own ideas of policy and administration, it appears to them that nothing could be more directly calculated to bring about anarchy and confusion.

Even at the ports where foreigners are under the immediate control of their own officials, their "exterritoriality" exercises in some respects, a harmful because disintegrating, influence; and my Lords think that there is much force in the opinion, that if China consents to this demand she will have sown the seeds of a wrong principle which must grow in strength, and that strength, and the new life thus given to the exterritorial idea in the interior, will bring weakness for the nation and death for its Government, and must eventuate in greater anarchy than has yet been seen.

My Lords cannot believe in the expediency of the introduction of railroads and telegraphs by foreigners under Treaty right. All that could, as they think, be properly attempted in these respects would be to obtain permission under very strict limitations and conditions to make experiments of this nature in particular districts, in such a manner as to afford a reasonable belief they they would lead to their adoption by the Chinese.

But in these matters, as well as in the case of steam navigation in inland waters, to which they have already referred, my Lords believe that any general scheme of such improvements and innovations should be at all events nominally conducted by the Chinese themselves.

Similar objections apply with more or less force to the right of working mines by foreigners, and my Lords would not recommend that any renewed attempt should be made at present to obtain privileges of this description.

My Lords have indicated in the foregoing remarks their views of the course which they would recommend for the adoption of Her Majesty's Government at the present conjuncture; but they desire, in concluding, to submit for Lord Clarendon's consideration a few general observations on the commercial relations of this country and China, which are suggested by the correspondence before them.

The magnitude of British trade with China, the large and powerful interests connected both with manufacture and shipping engaged in it, and the unusual intervention of Her Majesty's Government in its creation and protection have directed to this branch of British commerce an amount of public and political attention which calls for a very careful scrutiny, both as to its origin, its actual amount and conditions, and its probable future.

As has been already observed, British relations with China are the result of force, and in the opinion of Sir R. Alcock, who is eminently qualified to form a sound judgment on the subject, we must still look to force, latent or expressed for their maintenance or improvement.

This appears to my Lord to be a fact of the greatest possible significance, and which must never be lost sight of in determining British policy in China; for if, as they hope, the principle of creating new openings for trade by force has been definitively renounced by Her Majesty's Government, it follows that unless some other basis can be found on which to rest our future relations with China, our trade with that Empire, and the great interests involved in it, must be precarious and insecure.

From this point of view, the actual amount and character of this trade, and its recent progress, become matters of great national importance. The value of the foreign trade of China is spoken of occasionally in this correspondence as 100,000,000*l.* This figure is quoted even in Sir R. Alcock's last despatch of the 27th February, 1869; but this estimate is probably derived from the Chinese accounts for 1866, which contain a Table giving the total value of the import, export, and coast trade as 99,399,593*l.* Of this total, only 70,576,437*l.* is British; and of this last sum, at least half consists of the coast trade, which is merely the distribution coastwise of those British goods which have already been included in the foreign trade, and thus appear twice over in the aggregate of 70,000,000*l.* The highest estimate that can be made of the value of British trade with China is from 30,000,000*l.* to 40,000,000*l.* per annum.

In arriving at this estimate, my Lords are met by a difficulty which is much to be regretted, and which prevents the possibility of more than approximate results; they refer to the very imperfect nature of the statistical information at their command.

It is only since the creation of the Foreign Inspectorate of Customs that any statistics of the foreign trade of China has been recorded at all; and for purposes of comparison,

therefore, my Lords can only have recourse to the statistics of the trade between the United Kingdom and China, published in this country, between which and the results of the recent Chinese statistics there exist considerable discrepancies.

For the purpose, however, of estimating the progress of British trade with China since the Treaty of Tien-tsin, and the relative magnitude of the interests concerned, before and since that period, the English accounts afford a sufficient guide, and give the following results:—

TABLE showing the Value of the Merchandize and Treasure imported into and exported from the United Kingdom into China (including Hong Kong) in each of the years 1856 to 1860, and 1865 to 1868, all inclusive.

Value of Imports into the United Kingdom.	1856.	1857.	1858.	1859.	1860.	1865.	1866.	1867.	1868.
From—	£	£	£	£	£	£	£	£	£
China	9,421	11,448	7,073	9,014	9,323	10,677	10,846	9,340	11,481
Hong Kong						773	282	183	235
Half Strait Settlements	403	470	381	554	527	1,077	804	717	1,025
Raw silk (viâ Egypt)	2,367	5,271	2,725	5,289	6,768	6,402	4,326	4,745	5,990
Total	12,191	17,189	10,179	14,857	16,618	18,929	16,258	14,985	18,731

Value of Exports from the United Kingdom.	1856.	1857.	1858.	1859.	1860.	1865.	1866.	1867.	1868.
To—	£	£	£	£	£	£	£	£	£
China	1,448	1,745	1,762	2,574	2,915	3,688	5,208	5,109	6,312*
Hong Kong	837	759	1,204	2,011	2,535	1,587	2,469	2,561	2,186*
Half Strait Settlements ..	445	460	494	728	859	755	1,021	1,064	756*
Coin (viâ Egypt, mostly for China) ..	4,762	8,353	1,651	4,045	1,936	863	389	260	474
Total	7,492	11,317	5,111	9,358	8,235	6,893	9,087	8,994	9,728

N.B.—The figures in the above Tables represent *hundred thousands*.

* These figures represent the export of British and Irish produce only. The export to Canton in 1867 (exclusive of Foreign and Colonial merchandize) was 4,996*l*., against 5,109*l*.

TABLE showing the Quantities and Value of Tea and Raw Silk (including Raw Silk viâ Egypt) imported from China and Hong Kong into the United Kingdom in the years 1856 to 1860, and 1865 to 1868, all inclusive.

Year.	Tea.		Raw Silk.	
	Quantities.	Value.	Quantities.	Value.
	Lbs.	£	Lbs.	£
1856	84,795,000	5,123,000	6,237,000	6,013,000
1857	60,295,000	4,310,000	11,149,000	11,839,000
1858	73,359,000	5,036,000	5,086,000	4,363,000
1859	71,916,000	5,528,000	8,651,000	8,344,000
1860	85,295,000	6,601,000	8,435,000	8,953,000
1865	112,782,000	9,326,000	5,190,000	6,574,000
1866	130,863,000	10,443,000	3,513,000	4,456,000
1867	117,551,000	9,179,000	3,890,000	4,794,000
1868	..	..	5,265,000	6,072,000

TABLE showing the Quantity and Value of Cotton and Woollen Piece Goods of *British* Manufacture exported to China and Hong Kong in the years 1856 to 1860, and 1865 to 1868.

Year.	Cottons entered by the Yard.		Woollens.		
	Quantity.	Value.	By Piece.	By Yard.	Value.
	Yards.	£	Pieces.	Yards.	£
1856	112,665,000	1,330,000	92,000	46,000	267,000
1857	121,587,000	1,572,000	94,000	121,000	284,000
1858	138,488,000	1,821,000	127,000	63,000	387,000
1859	193,935,000	2,755,000	222,000	265,000	700,000
1860	222,963,000	3,157,000	280,000	663,000	867,000
			Yards.		
1865	126,160,000	2,779,000	18,573,000		1,529,000
1866	188,341,000	4,411,000	23,440,000		1,655,000
1867	229,755,000	4,228,000	24,284,000		1,620,000
1868	327,842,000	5,521,000	? 21,256,000		1,343,000

This trade, which represents the whole exchange backwards and forwards between the United Kingdom and China, including Hong Kong and the Straits, has never yet reached, according to the Board of Trade accounts, the amount of 30,000,000*l.* in value; while, by the same accounts, the trade with the United States in 1866 was 89,958,707*l.*; with France, 79,511,430*l.*; with British India, 59,503,122*l.*; and with Australia, 32,931,248*l.*

It may further be stated that out of a total export of 70,000,000*l.* of cotton goods, the export to China constitutes only 5,000,000*l.*

The relative inferiority of the China trade, when compared with that of highly civilized countries like the United States of America and France, is easily understood.

In the exchanges between highly civilized countries the division of labour is carried to a point which gives to them the character of a home or internal trade, comprehending almost every variety of product and manufacture, and insuring a certain steadiness. The trade with the United States affords the most striking proof of this, exhibiting as it does, in spite of the decline in the exports of raw cotton and the prohibitory Tariff, such remarkable dimensions. The same remark applies in some degree to Australia and to India. The trade with China, on the other hand, is almost entirely limited, as far as the exchanges between the United Kingdom and China are concerned, to four articles—tea and silk as imports; cotton and woollen manufactures as exports; and even of these last, the cottons (which constitute by far the largest export) are confined to one particular branch of the trade, viz., heavy goods.

The other two items, which make up nearly the whole of British commerce with China, are opium from British India, and specie, which figures largely in these accounts on one side or the other in the settlement of the balances. These are not the conditions of a healthy and solid trade; and an examination of the records of the China trade will be accordingly found to exhibit fluctuations and irregularities which have been, as is well known, the source of great commercial disasters.

As regards our import trade, my Lords have already adverted to the uncertainty which impends over the future of the tea trade, so far as it affords a fiscal resource; and the advance of price which has attended its increased consumption in this country appears to throw some doubt upon its alleged capabilities of unlimited extension, at all events within a given time, and according to the current requirements of foreign trade.

The experience of the last few years has proved the precarious character of the trade in silk, which is an article peculiarly liable to fluctuations of supply and price.

What is the prospect of a large development of our export trade?

The population of China, which, by its numbers, appears at first sight to afford an almost boundless field for the consumption of British manufactures, is not only for the most part in a condition of extreme poverty, but is deficient in the desire for the material comforts and elegancies of life which exists in countries under other forms of civilization, and is under the influence of a custom and opinion opposed to all ideas of European luxury.

China, moreover, produces all the raw materials of industry, and with her teeming and laborious population possesses (under totally different conditions, it is true, from those of more advanced communities) great manufacturing power as regards the principal articles required for her internal consumption. Although the concentration and organization of Western manufacturing industries are altogether absent, this disadvantage, as well as those of superior mechanical appliances is, to a great extent, compensated by the command of raw material, the cheapness of labour, and the practice of domestic manufactures among the agricultural population, by which the profits of the cultivator, of the merchant, and of the manufacturer are eliminated from the cost price of the product; and under these circumstances, it appears very doubtful whether the coarse cottons which are the only manufacture largely exported from the United Kingdom to China, and which have, in addition to their prime cost, to bear the charges of freight, commission, and the high profits required in a distant trade, can ever do more than supplement the native production in the supply of the great cities accessible to foreign trade.

In connexion with this subject, it is worthy to notice that the export trade of cotton goods to British India is far more varied in its character than that to China, the finer fabrics constituting a large proportion to the whole amount.

It is true that the woollens exported to China from this country are chiefly worsteds and mixed fabrics; but the total amount, though presenting a rapid increase in the last few years, is after all a comparatively small trade, and probably supplies the requirements of a limited class of Chinese and of the European residents. This branch of the export trade is, however, one which perhaps presents the best prospect of future development in the northern provinces of China.

The limited number of articles of trade to which our trade with China is confined

leads to another source of uncertainty and fluctuation in this branch of British commerce, viz., the disturbance of the exchanges.

In the Report of the Committee of the House of Commons on the China trade in 1848, this feature is dwelt upon as the principal cause of the slow development of British exports to China, and it still remains a disturbing element in the question.

My Lords cannot on this occasion enter at length upon the question of the trade between China and British India, but they cannot omit from consideration, in connexion with the general question, the exceptional and uncertain character of its principal element, viz., the trade in opium. This trade, amounting in 1866 to 11,700,000*l.* sterling, is at present, as it appears from the Reports recently received on the cultivation and taxation of opium in China, threatened with a competition which may seriously diminish its proportions.

There is another most important British interest to consider in connexion with the Chinese trade, viz., the shipping interest; so far as its employment in the foreign trade is concerned, it is needless to observe that its future growth must depend upon that of the trade itself, and falls, therefore, within the scope of the previous remarks; but with respect to the employment of British ships in the coasting trade of China, which constitutes, no doubt, the principal part of the tonnage* (3,700,000) stated in the Chinese accounts as engaged in the whole trade of China in 1867, it must be remarked that, after eliminating that part which is only nominally British, it appears probable that as the carrying trade of China passes more and more into Chinese hands (a point on which all authorities agree), the Chinese will become the chief owners of the finest coast and river steamers,—a state of things, indeed, which, according to Consul Robertson, to a great extent already exists.

When it is recollected that these results have only been obtained at the cost of three wars, and the constant presence of British squadrons in Chinese waters for the protection of trade, it is a great question on which side of the national ledger the balance will be found to stand.

My Lords have dwelt at some length on these features of the Chinese trade, not with any view of underrating its importance, but for the purpose of impressing on Her Majesty's Government their strong opinion that, having regard to the past history of our relations with China, the peculiar character of our trade, and the present circumstances and immediate future of the Empire both in its national and international condition, any attempt to extend by Diplomatic pressure, and thus to strain our existing relations, would be to enter upon a policy which, even in a commercial point of view, would be attended with great danger.

The "aggressive" policy, even if confined to "moral" agencies, would have one of two results:—

1. The disorganization of China, politically and socially;

2. The development of its industrial and commercial capabilities in a rapid and decisive manner.

It is unnecessary for my Lords to say that the first of these results is, in their view, by far the most probable, at all events in the immediate future; but they think it extremely doubtful, in view of the foregoing considerations, whether, even if the most sanguine hopes of the most ardent friends of progress were realized in China, such a result would be attended with unmixed benefit to British trade.

Some of the probable results would certainly lie in a contrary direction.

An efficient central administration, a well-organized Customs system, and increased attention to foreign trade, might probably lead to a system of taxation in connection with trade more nearly resembling that adopted by the principal Treaty Powers.

Increased intercourse will consummate that which has commenced already, viz., the transference of the mercantile coast trade of China from foreign to native hands, and thus blot out one of the British interests in China.

The adoption of the practical appliances of Western civilization of steam and machinery can hardly fail to prepare the way for an organization of manufacturing industry which would compete keenly with that of Europe; and even if, in spite of these national forces, the foreign trade should largely increase, the opening up of the Pacific Railroad, and the growth of population with a vast Chinese element on the Pacific slope of North America, will, in all human probability, unless the Suez Canal should prove to be a great success, absorb the largest share of the future foreign trade of China, and make New York or San Francisco, and not London, the great entrepôt of Oriental products.

For all these reasons my Lords believe that a policy which, even if successful in avoiding political disaster and in extending for the time our commercial relations with China, would still be exposed to so much future uncertainty, would be very far from

* Total tonnage in foreign and coast trades of the United Kingdom (1867) about 70,000,000.

prudent, so long as the conditions of that trade rest on a foundation so limited and insecure; and they are convinced that the only safe course for Her Majesty's Government to pursue in China, is to confine their efforts to the consolidation of the position already obtained by patient, moderate, and gradual negotiation, and by bringing to bear, as much as possible, the moral influences derived from the principles of international equity which regulate and control the intercourse of civilized nations, and from the concerted action and co-operation of all the Treaty Powers.

I have, &c.
(Signed) LOUIS MALLET.

No. 108.

The Earl of Clarendon to Sir R. Alcock.

Sir, *Foreign Office, May* 21, 1869.

I TRANSMIT to you herewith a copy of a letter from the Board of Trade,* stating the conclusions at which they have arrived, after a deliberate consideration of your several Reports on the question of the revision of Treaties with China, as well as of the various Memorials and other statements on that subject, put forth by the commercial community in that country.

It is a great satisfaction to me to find that the Board of Trade does ample justice to the zeal and ability that you have shown during the protracted negotiations in which you have been engaged with the Chinese Government, under circumstances of no ordinary difficulty and perplexity, connected on the one hand with the urgent demands of the mercantile community for increased facilities of trade, and on the other with the hesitation and reluctance of the Chinese Government to meet those expectations in any other than a most limited degree.

I have already expressed to you the approval of Her Majesty's Government, and you will find in the inclosed letter that such approval is also stated specifically by the Department more immediately conversant with the matters in which you have been engaged.

The letter of the Board of Trade enters so fully into the whole question that it leaves me nothing to say, except that you will take it, as far as circumstances admit, for the guide of your conduct in your further negotiations with the Chinese Government, which, as you will perceive, the Board of Trade consider should, by preference, be directed to recording, in some special instrument or Convention, the advantages which you have induced the Chinese Government to express their willingness to concede; but postponing, for a time, and until the present Treaty engagements of all other Powers with China admit of common action, any more comprehensive attempt to revise generally the provisions of the British Treaty.

As you appear, during the whole course of your negotiations, to have very properly communicated unreservedly with your colleagues the successive steps you were taking, I shall instruct Her Majesty's Ministers in the several countries to furnish the respective Governments with extracts of the letter of the Board of Trade, and request them to authorize their Ministers at Peking to render you any assistance that may be in their power for the success of your future negotiations.

I am, &c.
(Signed) CLARENDON.

No. 109.

The Earl of Clarendon to Sir R. Alcock.

Sir, *Foreign Office, May* 21, 1869.

I TRANSMIT to you, for your information, a translation of a note from Count Bernstorff, and of its inclosures, on the subject of your negotiations for the revision of the China Treaties.†

I am, &c.
(Signed) CLARENDON.

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* No. 107.

† No. 97.

No. 110.

Mr. Hammond to the Secretary to the Board of Trade.

Sir, *Foreign Office, May* 24, 1869.

I AM directed by the Earl of Clarendon to transmit to you, to be laid before the Lords of Trade, the accompanying copy of an instruction which his Lordship addressed to Sir R. Alcock by the mail of the 21st instant,* on the receipt of your letter of the 19th instant, conveying their Lordships' opinion on the question of the revision of the China Treaties.

I am, &c.
(Signed) E. HAMMOND.

No. 111.

Mr. Hammond to the Secrerary to the Board of Trade.

Sir, *Foreign Office, May* 26, 1869.

WITH reference to my letter of the 24th instant, inclosing a copy of instructions which Lord Clarendon had addressed to Sir R. Alcock on the subject of the revision of the China Treaties, I am directed by his Lordship to transmit to you, to be laid before the Lords of Trade, a draft of a further despatch which his Lordship proposes to address to Sir R. Alcock on the same subject;† and I am to request that you will move their Lordships to inform Lord Clarendon whether they concur in these instructions.

I am, &c.
(Signed) E. HAMMOND.

No. 112.

Despatch addressed by the Earl of Clarendon to Her Majesty's Representatives in France and other Countries having Treaties with China.

My Lord, *Foreign Office, May* 26, 1869.

THE Government to which you are accredited will doubtless have received from their Representative at Peking a full report of the negotiations in which Her Majesty's Minister has been for a long time engaged with the Chinese Government with a view to the improvement of commercial relations with China; and it will naturally be desirous of learning the view taken by Her Majesty's Government of those negotiations, and the instructions which have been sent to Her Majesty's Minister on the subject.

I accordingly inclose, for communication to the Government to which you are accredited, duplicate copies of an extract of a letter from the Board of Trade, reviewing the whole course of the past negotiations, and suggesting what should be done to turn them to good account. This paper has been sent to Sir R. Alcock, to serve as the guide of his future intercourse with the Chinese Government; and I have to instruct you, in placing it in the hands of the Minister, to request that the Representative at Peking may be instructed to render Her Majesty's Minister any assistance that may be in his power, for the success of his future negotiations.

A similar communication will be made to each of the Powers having Treaties with China.

I am, &c.
(Signed) CLARENDON.

No. 113.

The Earl of Clarendon to Sir R. Alcock.

Sir, *Foreign Office, May* 28, 1869.

WITH reference to my despatch of the 21st instant, I transmit to you, for your information, a copy of a despatch which I have addressed to Her Majesty's Representa-

* See No. 108. † No. 117.

tives in countries having Treaties with China, on the subject of the revision of the China Treaties.*

I also inclose, for your use, twelve copies of the extract from the letter from the Board of Trade referred to therein, and of which a copy was sent to you in my above-mentioned despatch.

I am, &c.
(Signed) CLARENDON.

No. 114.

Sir R. Alcock to the Earl of Clarendon.—(Received May 30.)

My Lord, *Peking, March* 24, 1869.

I HAVE the honour to inclose a copy of a despatch to Mr. Consul Medhurst in reply to numerous representations received from Chambers of Commerce and individual members of the mercantile communities in China, respecting the objects to be sought in the approaching revision of the Treaty. Agreeing with the general consensus of opinion among the writers as to the great importance of increased facilities for the transport of goods in the interior, and more free access to central markets, such as steam navigation, railroads, and telegraphs would give, combined with the working of mines by foreign machinery, I have thought it expedient to point out the impossibility of obtaining these results except with the free concurrence of the Chinese Government. I have thought it right to discourage too sanguine expectations of success in this direction by reminding them of the formal engagements entered into by the Government of the United States, and the assurances subsequently given by your Lordship to Mr. Burlingame, the Chinese Envoy, in London, that, so far as Great Britain was concerned, no unfriendly pressure should be exercised to induce China to advance more rapidly in her intercourse with foreign nations than was consistent with safety and with due and reasonable regard for the feelings of her subjects.

An explicit declaration of this nature on the part of Her Majesty's Government, apart from the instructions conveyed to me by your Lordship's despatch of the 30th of December, necessarily determines the limits within which any efforts of Her Majesty's Representatives can be made for the attainment of objects of negotiation, however desirable they may be in the abstract. As nothing can be more unsatisfactory in our relations with China than vain expectation of results utterly unattainable, and efforts on the part of the mercantile community to force both Governments beyond the line of policy they deliberately agree to follow in view of all the interests at stake, I trust your Lordship will approve the purport of my despatch, which I have authorized the Consul to communicate to the Chamber of Commerce for general information.

I have, &c.
(Signed) RUTHERFORD ALCOCK.

Inclosure in No. 114.

Sir R. Alcock to Consul Medhurst.

Sir, *Peking, March* 23, 1869.

WITH reference to your despatches of the 1st and 16th ultimo, covering copies of the several communications received from the Chamber of Commerce at Shanghae, and also from individual members of the mercantile community, giving their views on the most desirable means of extending trade and facilitating operations in the interior, I have been glad to receive such full and unreserved statements from those best able to give practical information.

The direct transmission of the communications, giving at one view the opinions of the mercantile body in China on questions of such importance to trade and in their bearing on our future relations with the country, cannot fail to secure, on the part of Her Majesty's Government, prompt attention, as well as careful consideration in connection with my reports and various other data affecting the revision of the Treaty of Tien-tsin.

As regards the answers received on the question about subsidiary ports, I am led to conclude that the object in view may be secured, the Custom-house of each Treaty

* No. 112.

port having jurisdiction within certain limits which are coterminous, and thus including all minor, or non-Treaty, ports on the whole coast. The objection of the Chinese Government to steamers only applies to the inland waters hitherto not opened to foreign vessels.

But as regards inland residence, the objections appear to be insuperable in connection with exterritorial rights. The Tsung-li Yamên state they are willing that Chinese and foreigners should be placed on an equal footing, but not that the latter should have exceptional advantages and privileges. They contend that if he claims the one, he must forego the other, in common justice to their own people. Thus, both as regards inland steam navigation and residence, the first may be had whenever the Chinese traders themselves employ steamers on those waters, and the latter whenever foreign Powers are willing to place their subjects under the laws of the country, and make them amenable to the territorial authority, as Chinese themselves would be in any Western State. Of course, the objections to any such arrangement, while the Chinese laws and their administration continue what they now are, must be manifold. But, with these irreconcileable differences, there does not seem to be any chance of agreement.

It has been argued in the public press, both at home and in China, that this right of inland residence is already secured to British subjects by the Russian Treaty, in connection with the "most-favoured-nation" clause, just as British missionaries are allowed to dwell in the interior by virtue of a right derived only from the French Treaty.

But there is error in both these assumptions. The Russian Treaty does not give any general right of residence in the interior, but only at certain places on the Mongolian border—as at Urga, Kashgar, Ili, and Targabatai, and in Western Tartary, north of Turkestan—territories which *de facto* have long ceased to be under Chinese rule. Russian traders do, in effect, reside in small numbers at Tsung-yang, and possibly some few nearer the tea districts, but it is permissive, and not claimed as a right, and I believe they are simply left alone because they give no trouble, speak, and live and dress like Chinese, and have no Canton servants or compradores to get into quarrels with the people, and then beard the authorities as being under foreign protection, and not amenable to their jurisdiction. I believe the subjects of any other foreign Power might do as these few Russian traders do, if they took the same course, and could live in the same way, without giving rise to trouble or questions of foreign jurisdiction and authority, so far as any interference or molestation from Chinese officials is concerned.

Any rights of inland residence of missionaries that can properly be claimed by virtue of the French Treaty are by no means as clear and unquestionable as has been assumed. With reference to British missionaries, the whole subject is under the consideration of Her Majesty's Government, with whom it rests to determine whether they will claim such privileges and accept the responsibilities their enjoyment entails if they are to be placed under British protection. In the meantime, I consider Her Majesty's Consuls entitled to exercise a discretionary power in refusing to grant any passport or authority for residence beyond the limits of the ports.

Apart from inland residence and its difficulties, there is, in the representations received from all the ports, a very great unanimity of opinion as to the importance of railroads and telegraphs, in addition to inland steam navigation and the working of mines, as all more or less essential to free access to great inland centres of production and consumption, and more especially for the reform of the abuses in the levy of transit dues at the inland barriers.

All I can at present say on this subject is, that I entirely agree with the writers as to the vital importance of each and all of these appliances for the free development of foreign trade in China. But I am also bound to add that no efforts hitherto made by me or by my colleagues in Peking,—and they have been both earnest and continuous,—have prevailed with the Chinese Government or succeeded in removing their objections to initiatory steps in any one of these directions, if I except coal mines, some of which they are willing to work themselves, with foreign machinery and superintendence.

It remains to be seen whether the recent assurances made by Her Majesty's Government, that there was, so far as Great Britain was concerned, neither a desire, nor intention, to apply unfriendly pressure to China to induce her Government to advance more rapidly in intercourse with foreign nations than was consistent with safety and with due and reasonable regard for the feelings of her subjects, will have any effect in removing this Government's disinclination to listen to any propositions for making a beginning in railroads and telegraphs.

The signature at Washington of a formal engagement to forbear from any pressure for these objects, and the assurances of Great Britain in the same sense, should other Powers follow a similar course, may possibly, by relieving the Government at Peking of

all anxiety as to the desire of foreign Powers either to interfere or dictate what shall or shall not be done for the introduction of great innovations, or to press them in the path of progress beyond what they deem either safe or practicable, induce them to listen more willingly to arguments in favour of a beginning. It is probably in this hope that Mr. Burlingame has laboured to obtain these declarations of forbearance and a desire to avoid dictation or pressure on the part of foreign Powers.

But as regards the desires of the merchants, and the progress of any negotiations here for the realization of their wishes, it will be very plain to them that, when Her Majesty's Government has officially informed the Chinese Envoy that they fully admitted the Chinese Government were entitled to count upon the forbearance of foreign nations, and that no unfriendly pressure should be brought to bear by Great Britain to induce them to advance more rapidly than might be held safe and consistent with a due regard to popular feelings, it does not rest with Her Majesty's Representative to adopt any course opposed to such declarations.

You are at liberty to communicate this despatch to the Chamber of Commerce.

I am, &c.

(Signed) RUTHERFORD ALCOCK.

No. 115.

The Earl of Clarendon to Sir R. Alcock.

Sir, *Foreign Office, June* 3, 1869.

HER Majesty's Government entirely approve the letter which you addressed to Mr. Consul Medhurst on the 23rd of March, and of which a copy was inclosed in your despatch of the 24th of that month, respecting the revision of the China Treaties.

I am, &c.

(Signed) CLARENDON.

No. 116.

Sir L. Mallet to Mr. Hammond.—(Received June 4.)

Office of Committee of Privy Council for Trade,

Sir, *June* 4, 1869.

I AM directed by the Lords of the Committee of Privy Council for Trade to acknowledge the receipt of your letter of the 26th ultimo, transmitting, by direction of the Earl of Clarendon, for the opinion of this Board, draft of a further despatch which he proposes to send to Sir R. Alcock on the subject of the revision of the China Treaty.

In reply, I am to request that you will inform his Lordship that my Lords entirely concur in the instructions contained in the draft.

I have, &c.

(Signed) LOUIS MALLET.

No. 117.

The Earl of Clarendon to Sir R. Alcock.

Sir, *Foreign Office, June* 4, 1869.

WITH reference to my despatch of the 21st ultimo, inclosing a copy of a letter from the Board of Trade, and instructing you to be guided by the views and wishes therein expressed in your further negotiations with the Chinese Government on commercial matters, I have to state to you, that while in the hope that the Chinese Government will adhere to what they have already conceded, and will record it in some document or Convention, Her Majesty's Government are willing to wait for a more favourable and complete revision of Treaties until all the Powers can act together to procure it; yet, if the Chinese will not do so, and should declare that their present concessions constitute the whole of the revision that they can submit to, in that case Her Majesty's Government are content that you should agree to accept what you can obtain at once, and not wait for

eventualities. But you will of course do your utmost to avoid being driven to such a conclusion.

I am, &c.
(Signed) CLARENDON.

No. 118.

Sir R. Alcock to the Earl of Clarendon.—(*Received June* 13.)

My Lord, *Peking, March* 31, 1869.

I HAVE directed Mr. Consul Medhurst to inclose a printed copy of a despatch I have addressed to him for communication to the Chamber of Commerce at Shanghae, chiefly devoted to a consideration of the various schemes which have been put forward by the Chambers of Commerce and others for the rectification of the evils attending the present system of transit dues.

No other question connected with the revision of the Treaty is, in my opinion, of equal importance to the interests of trade. Nothing has so effectually prevented its rapid extension and free development in the interior.

But all the suggestions received from the mercantile body in China have been so uniformly mixed up with the questions of inland navigation, residence, railroads, and even working of mines,—all claimed as Treaty rights,—that no progress has really been made hitherto in ascertaining what the merchants conceive, with their practical experience of the difficulties to be overcome, might be the best course to adopt in the event of all the larger concessions they demand being found unattainable. As these certainly will not be obtained in any large degree; and as they quite as certainly cannot be claimed either as rights under Treaty or in accord with the law of nations, it has seemed to me important, without further loss of time, to tell them so in the plainest terms, in order that they may turn their attention to the more practical question before them—what they would recommend in reference to transit dues, apart from all those larger concessions they so much desire but will not obtain.?

I trust your Lordship may approve of this step, and the arguments employed to fix their attention on the one point on which their further opinion is desired or calculated to be useful.

I have, &c.
(Signed) RUTHERFORD ALCOCK.

Inclosure in No. 118.

Sir R. Alcock to Consul Medhurst.

Sir, *Peking, April* 1, 1869.

I HAVE already given a general reply to your despatch of the 16th of February, and its inclosures, including the answer of the Chamber of Commerce. Among the correspondence, however, was a letter from an individual member of the mercantile community of Shanghae, which is well entitled to further notice in its special reference to the abuses and difficulties attending the collection of transit dues, the *quæstio vexata* in all the Memorials which have been received.

Without adopting all the opinions of the writer, or agreeing in the correctness of some of the premises on which his conclusions are founded on this and other subjects discussed, I am struck with the impartial spirit in which all the difficulties of the situation are weighed, and appreciate very highly the breadth of view manifested in his suggestions for a revision of the Treaty in a large and equitable sense. I think the mercantile body is to be congratulated that there should be one of their number prompt to recognize the fact, so often overlooked, that "for the first time we are about to negotiate a Treaty the basis of which is not to be the right of conquest; but in the calmness of peace, reason, and justice, we are about to try and persuade the Chinese Government to yield those concessions which we undertake the responsibility of recommending." In a word, we are no longer dictating conditions of peace, but negotiating for reciprocal advantages upon an equal footing. If the mercantile community will keep this steadily in view, much disappointment will be avoided.

There is much in Mr. Robertson's views concerning the system of transit dues as established by Treaty,—its defects, and the abuses to which it has given rise,—worthy of

careful consideration. And, as nothing is really more important than a right conclusion on all the points raised, I propose to pass in review the leading facts bearing upon the whole question of transit dues in connection with Mr. Robertson's statements that you may refer the subject to the Chamber of Commerce for their collective opinion.

Late as it is, there is yet time, before any final decision need be taken, to turn to profit any well-considered scheme by which the chief difficulties may be satisfactorily removed. Any revision of the Treaty, indeed, which should fail in this, would in my opinion, fail in the most cardinal point, and could be of little avail for the extension and free development of trade. It is far more important that a revision of the Treaty should be satisfactory, than that it should be effected within any specified time. There is nothing, in fact, to limit the period of preliminary examination and negotiation. If, in the present condition of the Empire, or the existing state of affairs, the obstacles to any satisfactory revision, in the sense of large and practical improvements, should be found insuperable, there is nothing to be gained by hurrying the negotiations to a close. On the contrary, I believe it would be better, in the common interest, to have no revision at all than to accept such incomplete and imperfect results as would leave foreign interests and relations practically the same and without any material improvement. I have no desire to be a party to any such settlement.

Whether any acceptable revision can be effected during the present year, or not, greatly depends, I conceive, upon the possibility of finding a satisfactory solution of the difficult questions involved in the system of transit dues. I am still clear in the conviction expressed in my Circular of the 17th of February, 1868, that it is not in the direction of more ports, improvements in the rules and procedure of the maritime Customs, nor even in the liberty of opening business premises in the interior with a right of inland residence, that "relief is mainly to be sought, for what is most real or serious in the grievances set forth in the Memorials, but in the fiscal system of the provinces, and the levy of inland duties, with all the accompanying obstructions and abuses, which constitute the greatest obstacle to the extension of trade and the free exchange of the staples of foreign trade, whether import or export." I have more recently expressed my opinion upon the degree of importance to be attached to rights of inland residence, steam navigation, the introduction of railroads and telegraphs, and working of mines, in their connection with the prior question. If the free transit of goods through the interior could be secured, foreign trade might very well afford to wait for those further aids and appliances. And if this is not to be accompanied without these latter adjuncts, it is very doubtful, in my mind, how far the end is attainable at all during the minority of the Emperor and under existing conditions. This will explain to you, and to the Chamber of Commerce, the importance I attach to the full consideration of all the difficulties of the transit system, and the best mode of dealing with them. The whole subject seems to me to require further ventilation, and an opportunity for general discussion can hardly fail, therefore, to be advantageous.

The facts are not even well understood, and lekin and other taxes are continually spoken of as violations of the Treaty, which have nothing whatever to do with transit dues. If any progress is to be made in the removal of real and practical grievances, there must be no room for misapprehension as to their true character. That which may be a very legitimate subject of complaint, and a serious grievance to the merchant, in defects or abuses in the fiscal administration of the country, is not necessarily a violation of Treaty rights. I presume Mr. Robertson will have no objection to the communication of his letter to the Chamber of Commerce; and it will be fairer to him, and more satisfactory to the Chamber, if the whole of his views are taken together in connection with the following remarks on the transit dues.

I agreed, from the first, with the Shanghae Chamber of Commerce, that "the most essential questions for consideration," in any revision of Treaties, must have reference to the "*bonâ fide* introduction into the country of English manufactures." I think this one object cannot be too steadily kept in view. Whatever is conducive to this must be a principal object of desire both to the British merchant and his Government. Whatever is obstructive, or in any way opposed to such facilities for the transit of goods and exemption from all arbitrary charges or vexatious delays, must be equally open to objection. Whether, then, as the Chamber was and still is of opinion, "the right to reside in the interior for purposes of trade, and the employment of adequate means of communication," such as inland steam navigation, railroads, and telegraphs, or the removal of existing abuses in the barrier system, still retaining the means of transport now in use, are the most essential conditions,—is a question of means to the end, as I pointed out in the same despatch. To this opinion I still adhere. Steam navigation, railroads, and telegraphs are all subsidiary to the development of trade, by lessening cost of transport, increasing

speed of transit and communication, and sweeping aside many fiscal obstructions and charges. They derive their chief importance to the foreign merchant in China as material means of effecting these ends. If they can be secured without such means, they may be dispensed with, either for an indefinite period, or until the country and its rulers, in their own interest, seeing the vast advantages to be obtained by such appliances, are ready to adopt them. China, in the present day, is but where England was a few years ago, when canals and rivers, with barges and sailing-vessels, offered the only means of transport by water, and carts or vans by land. And yet Great Britain had a large and prosperous trade before the first line of rails was laid down between Liverpool and Manchester, or a single steam-ship had entered the Mersey or the Thames. A trade increasing and prosperous, despite slow means of transport, and heavy tolls at locks and turnpike-gates—heavier, there is reason to believe, than any now levied through one of the provinces of China—larger than the whole of Great Britain. These conditions were common to all Western countries, to France as to Germany, to America no less than to Great Britain,—at the beginning of the present century.

As to the burden of taxation laid upon trade in China, it has undoubtedly been heavy of late years, and far from judiciously imposed even in the interests of revenue. But is it so certain that the disposition of Chinese rulers to impose such taxes, or their power, would cease with railroads or steam navigation; or that foreign goods or foreign-owned native produce could be effectually exempted from such taxation? Again, are we quite certain that either the incidence or amount of the taxation actually levied has been truly reported by those whose interests were obviously concerned in exaggerating all its conditions? Finally, has there not been a manifest error in assuming that the amount of taxation existing in any district and period prevailed everywhere and at all times?

Although the Chamber, in its Memorial, and subsequently in its Circular letter of the 24th January, 1868, to the Chambers of Commerce in England, stated the inland tolls to Soochow, only some eighty miles distant, to be nearly 15 per cent. of the cost of manufactured goods, this does not apply to every district nor to one very continuously.

If Mr. Robertson, himself belonging to the mercantile community in Shanghae, and acquainted with the practical working of the existing system, is not mistaken "the taxation of foreign imports, generally including internal squeezes,"—that is, the taxation with all its excesses and abuses,—"to places of which we have definite information, is not so high, in the majority of instances, as is the Tariff of the United States or Canada."

In corroboration of the accuracy of this estimate, the Consul of Newchwang reports to me that in Manchuria there are no internal dues on transit. From Tien-tsin, the Consul reports they are so light no one has thought it worth his while to take out passes. Mr. Dick, the Commissioner of Customs in his printed Report, confirms this statement. Both, to a certain extent, prove that the system is not universally grievous; and in part, at least, bear out Mr. Robertson's conclusion—"that the Chinese system accommodates itself to circumstances," which he further vindicates by reference to the present rates of inland taxation to Soochow, compared to that given by the Chamber in January 1868, showing that they do not now exceed from 5 to 7½ per cent., "an amount easily paralleled among foreign nations," and certainly not fitly to be classed as either exorbitant or prohibitory, since I doubt if any foreign state can be cited, where transit or inland duties exist at all, in which they are more moderate.

But, if not excessive or prohibitory, the taxes levied may be vexatious or arbitrary, or essentially variable or uncertain, which are great evils in themselves, and serious impediments to trade. And so levied, if not distinctly contrary to Treaty, about which there may be a question, they constitute a legitimate subject of complaint. The systems of transit dues, lekin taxes, and barrier charges, must all be considered together, and from both these point of view:—first, as to their legality under the Treaty; and, secondly, as to their influence on trade.

The principle established by the Treaty of Nanking, of which that of Tien-tsin is the amplification and interpretation, was not, as has been very generally assumed, that foreign trade, whether import or export, should be exempt from paying the inland dues established by law or custom, or enjoy any preferential rights over native trade, but that it should pay nothing more. And the Treaty sought to obtain this object by fixing the unknown amount of such duties or charges. Article X of the Treaty of Nanking is perfectly clear on this head, in everything except the specification of that limit, the amount having been left blank in their ignorance of the whole system of inland taxation and the charges to which the native trader was subject in the transit of his merchandize from province to province. It cannot even be maintained that only import, export, and transit dues should be levied, in view of the wording of the Article, by which "the Emperor of China agrees

to establish a fair and regular tariff of export and import customs and other dues, which shall be publicly notified and promulgated for general information; and the Emperor further engages that when British merchandize shall have paid at any of the said ports the regulated Customs and dues, agreeable to the Tariff to be hereafter fixed, such merchandize may be conveyed by Chinese merchants to any province or city in the interior of China, on paying a further amount as transit dues, which shall not exceed per cent. on the Tariff value of such goods." Now, the Chinese expression for "other dues" (hsiang-fei") is a significant one, and points to or suggests military requirements and local expenditure. Hence, it has been contended, on the part of the Chinese Government, that not only does the Treaty not prohibit the levying of other dues, but it does, by its reference to them first, and its non-reference to them in the sequel, provide for their collection according to time, place, and Government necessities, by leaving their amount to be taxed by time, place, and circumstances, instead of fixing them once for all and promulgating them. Read, however, by the light of the XXVIIIth Article of the Tientsin Treaty, the Chinese Government has felt constrained to admit that, as regards British imports at least, there is a distinct limitation to the taxing power; and that these, having paid the Tariff duties, should be conveyed into the interior free of all further charges, except a transit duty; and that, as regards both imports and exports, certified goods, while in transit, were exempt from all other charges, and this whether in Chinese or foreign hands.

The Treaty right, therefore, is admittedly this, that all imports and exports, being *bonâ fide* constituents of foreign trade—as distinguished from a coasting or Chinese trade, only in foreign hands—may be certificated for transit, and sent from one end of the Empire to the other, exempt from all taxes or charges other than the Tariff of imports and exports, and a commuted inland or transit due of $2\frac{1}{2}$ per cent.; and this whether the goods or produce may be in Chinese or foreign hands. Once arrived at the place of distribution or consumption inland, the protection ceases, and they are liable in like manner as any other goods in Chinese territory, to such taxation as legitimately falls on native trade.

So even at the ports, or in their vicinity, as soon as British imports pass into Chinese hands for sale or consumption, no special exemption from lekin or any other taxation can be claimed for them under the Treaty.

The limitation of taxing power imposed by Treaty under these conditions goes no further than to prevent British imports being taxed otherwise than the native trade, either in excess or exceptionally, and the protection for the observance of this rule should be the public notification, by Imperial Edict, of all dues leviable on articles of trade in every province and district, and the substitution of this Imperial and responsible authority for the hitherto irresponsible provincial authority under which all lekin and barrier dues have been levied on foreign and native trade indiscriminately.

By the rates of taxation on all trade locally levied being thus made public under Imperial sanction and authority, every Treaty Power has the means of ascertaining whether the amount and the incidence of the taxation be fair and equal in its levy, and not otherwise oppressive upon the foreign trader. Because, trade having been established and guaranteed by Treaty, there is an implied engagement that under no circumstances will the territorial sovereignty exercise any power of taxation which may have been reserved —in a way, or to an extent, to make it prohibitory, and thus defeat the main object of the Treaty. If even seriously detrimental to the foreign trader, unless justified by some exceptional and temporary emergency, it may form just ground of complaint, as a violation of the spirit and intent of the Treaty, and a breach of faith.

In all this the object was not apparently to place the foreigner in a better position for trading throughout the Empire than the native, but to secure the former from being placed at a disadvantage, and at the mercy of the territorial authorities as to taxation. The single transit duty was accepted, and intended as an ample equivalent on computation for all inland taxes. There was no injustice in the principle therefore. If open to objection on this score it could only be as regarded the relative rights of Provincial and Imperial Treasuries, and that is a question of purely internal administration with which the foreigner had nothing to do; though it is possible that if any error or wrong were committed by the Central Government in this direction, his interests might, in some degree, be compromised.

It only required that on each side these rights should be scrupulously respected, and the transit certificate system might have secured the plain object of the Treaty. Unfortunately, there has been a want of good faith and honest execution on both sides. We know enough of the variable, and in many cases excessive, charges levied by the Chinese authorities on foreign trade, both under the head of leking, and barrier, or transit dues. In Kiang-su and Fukien the Treaty stipulations have been persistently violated by the

provincial authorities. The Report of the Commissioner of Customs at Ningpo, quoted by Mr. Robertson, and repeated two successive years in an official document, printed and published, and, so far as I know, never contradicted or questioned, leaves, I fear, as little doubt on the other. Hence, the total failure of the transit certificate system, so carefully devised for the protection of foreign trade, is due to bad faith on both sides. Whatever may be the abuses and malversation on the part of the Chinese local authorities, we are in no position to lay the whole blame upon them, as I pointed out in my first Circular. In the one province where the system was carried out in good faith by the authorities, there grew up a traffic in transit-passes by foreigners, every step of which was a deliberate fraud. It is impossible, in presence of such a system, not to agree entirely with the writer, when he says that "it is lowering to the honour of foreign Governments to have privileges, extorted in the name of justice, abused for the private benefit of a few individuals." Why no steps have been taken at Ningpo to bring the law to bear upon those engaging in such traffic, both Chinese and foreigners, by the officials on the spot is yet to be explained. But it is probable that where public opinion does not supply a sufficient check, by branding them with a stigma of dishonesty, no legal machinery could be efficiently brought to bear for the punishment of those concerned.

Be this as it may, it is clear that if foreign Governments cannot answer for the honest dealing and good faith of their own subjects in the observance of Treaty stipulations, they can hardly hold the Chinese Government responsible for a similar failure. They have naturally and fairly demanded some security for a better observance of obligations on our side as one of the conditions of a more perfect fulfilment on theirs, and no such security can be given. If transit certificates are liable to be sold to Chinese with a fraudulent intent to cover goods not foreign property, it is obvious that the production of such a certificate is no proof that the goods are entitled to be exempt from taxation, and a wide door is thus opened to equal bad faith on the part of the local officials whose business it is to see the revenue on native trade duly collected; and thus the whole system of transit-passes is rendered of no effect, and its object is defeated.

Such being the true state of affairs, there is no question of such vital importance to the development of foreign trade in the interior, and the true interests of the merchants engaged in it, as that of the abuses on both sides, which render ineffective all Treaty provisions. The Chinese revenue and foreign trade are alike prejudiced, and neither can possibly gain by perseverance in such flagitious courses. It is imperative on both Governments to find a remedy, if, as I have said, anything of material value is to result from the approaching revision.

The suggestions hitherto received, whether from the Chamber of Commerce or other sources, have fallen far short of the object. They may be summed up under the following heads :—

1. The Shanghae Chamber suggest that the transit due of 2½ per cent. should be payable at the market in which export produce is bought or imports sold, in place of paying it, as at present, into the Foreign Customs; observing, in support of this view, that "it is naturally a source of vexation to the local authorities that dues which, according to custom, formerly came into their own coffers, should be now paid to the provincial exchequer, subject to Imperial control; and it is also to be remembered that, to a certain extent, this is an injustice to those officials who look to taxes upon the produce bought, or goods sold, in their districts as the means of raising their revenue."

The recommendation conveyed in the last communication of the Chamber does not essentially differ from this, namely, that "whatever charges may be agreed upon to be charged in the shape of transit dues, shall not be paid into the Imperial Treasury, but shall be handed over or collected by the provincial authorities at the place of shipment or discharge. These latter are held responsible for the due administration of their Governments, and must raise a revenue; and in cases where goods pass through more than one province, a method of dividing the amount of duty between the different authorities represented might be devised;" with the addition that "all goods of foreign import by whomsoever owned," should be covered by the transit-pass.

The objection to this on the part of the Chinese Government is two-fold. First, that it would introduce confusion into the whole system of Provincial accounts and fiscal administration; and, secondly, that the Provincial Treasuries already received too much by taxes on trade, and have no title to appropriate such dues.

2. The abolition of all Treaty stipulations as to the amount of transit dues, leaving it to the trader, whether Chinese or foreign, to make his own arrangements wherever inland dues are demanded; and this is founded on the conviction which, I believe, more than one of the foreign Ministers here shares, that all efforts to control or interfere with the Provincial administration and fiscal system for the collection of the inland revenue must, of

necessity, be abortive, and that trade would be far less subject to vexatious proceedings and attempts at exaction if all engaged in it. Foreigners and Chinese alike were left to pay their way in accordance with the custom of the country and the rates established in the several localities. Of this it may be said that, although preferable to the present disorganized and unsatisfactory state of the transit system, it does not offer all the securities and advantages of the next scheme immediately following.

3. There is another proposition, in some degree the result of the labours of a Mixed Commission, which had all these questions under consideration, during the past year in Peking, the main points of which consist in a modification of the Treaty by which the transit commutation due of 2½ per cent. should be made payable at the port of entry through the Maritime Customs at the same time as the import dues, and cease to be optional.

In consideration of such payment thus fully secured to free the goods, not only in transit but wherever found for distribution or consumption from all further charges or taxes, whatever their kind or denomination, and whether in Chinese or foreign hands, thus realizing the wish of the Shanghae Chamber in one important particular.

As regards exports for foreign countries, an Imperial notification of all charges or dues legally leviable throughout the provinces on native produce, to be communicated to the foreign Representatives, and subject to no modification by the local authorities.

An Imperial Edict to denounce any contravention of the Tariff so published, and give a right of appeal to the nearest foreign Custom-house establishment, which will forthwith make searching inquiry by an officer dispatched to the spot with authority to afford redress, refund any amount surcharged, with indemnity for expenses or loss incurred, and to report the Chinese official inculpated for punishment in the event of the charges being proved.

By this scheme the whole transit system, which has worked so ill for all parties, would be swept away. British and all foreign goods being easily distinguishable, and being made free by the very fact of their being foreign, they need no certificate to cover them. It will be sufficient to declare them foreign goods. Native produce, under the protection of an Imperial Tariff, publicly notified, will, it is believed, take care of itself far more effectually than has hitherto been possible under transit certificates with their abuses, and no transit duty certificate will be required on shipment. Foreign goods even, entering into consumption at the ports, will, under such a rule, obtain, by the one payment of 2½ per cent., exemption from leking or any other local taxes, which have hitherto been levied to a much larger amount, and so their importer will unquestionably be benefited by the difference. Finally, all conflict with the provincial authorities and interests, owing to the exclusion of a portion of the traffic in native produce from taxation, to the prejudice of the provincial revenue, will be at an end. In the withdrawal of all pretension to preferential conditions of trade for the foreign merchant over the native, the claims of the former to be treated with perfect fairness are strengthened, and his chances of obtaining it very much improved, if not absolutely secured. The privilege of the preferential duties has never been contemplated by either of the Contracting Parties to the Treaty; and while there can be no doubt such a pretension would be vicious in principle, it would be no less certainly impolitic and mischievous in practice, defeating its own end.

4. To collect the duties inland by the extension of the Foreign Inspectorate, is recommended by the Hong Kong Chamber as "the only method which could be devised to cancel and adjust the multifarious excesses of the Land Revenue Department," while "inland residence and its adjuncts" are held by Messrs. Jardine, Matheson and Co., in their Memorial from the same place, "as the true remedies for these grievous evils."

The objections to these proposals are numerous, and some of them conclusive. Against the first it is urged that to graft an Imperial Foreign Inspectorate upon the inland revenue would be to vitiate the whole theory of Provincial Government, and throw into still worse confusion the working of the provincial administration and responsibility throughout the Empire. Were it the very best possible remedy for one abuse aimed at, and every other, the Central Government is totally incapable of undertaking such sweeping and fundamental changes, and entirely averse to any attempt of this nature.

As for inland residence and its adjuncts, there exist equally insurmountable objections in the present state of foreign relations with China, even apart from the question of extra-territoriality so of inland steam navigation and railroads. Whether merchants are "disappointed," "dissatisfied," or "incensed," as has latterly been represented,—whichever of these terms may be finally selected as best expressing the state of their feelings, I venture to hope the great majority will see that no one of these can be justified by the facts of the case, because they are neither international nor Treaty rights. To claim as such the navigation of all the inland waters, which neither separate nor traverse other countries in

their course, is wholly without warrant in any system of international law. No Western Power has ever conceded such right to any other, even when there is no question of extra-territorial privileges. No Treaties have ever sanctioned such a principle. However satisfactory it might be shown that in the present instance such a concession would be an advantage to the foreign merchant, and possibly the means of conferring a benefit on China, this would not entitle any foreign Power to claim it as a right. If even it were demanded on the ground of the impossibility of otherwise giving effect to the provisions of Treaties, already entered into, stipulating the unimpeded admission of foreign goods into the interior, China may contest not only this but all the other premisses; and, taking her stand upon international law and usage, resist every demand for such a constructive right as an attaint on her independence, and otherwise wholly incompatible with the safety and welfare of the Chinese people.

The law of nations so constantly referred to by Western Powers in their relations with China, cannot with any consistency be disregarded in dealing with such questions. At this period more than ever it is an impossibility, when the Emperor of China is publicly proclaiming by his Envoys in every Court of Eurupe, his entrance into the comity of civilized nations, his recognition of the obligations of international relations and his willingness to accept them. But at no time can this law of nations be disregarded, because, although a complex system, general principles of right and justice lie at the foundation, and it is in the common interest that these should be faithfully observed in the relations of different States.

Before members of the mercantile body in China, therefore, insist upon certain concessions as rights under either international law or Treaty, it is desirable they should ascertain how far it is possible for Her Majesty's Government to take that ground. If inland navigation by foreign vessels; the working of mines; the laying down of railroads and telegraphic lines and residence inland, with privileges of extra-territoriality attached to all, are not Treaty rights, not even in accordance with the principles of international law,—it must be quite clear they cannot be insisted upon. However advantageous every one of these concessions might be to foreign trade and the Chinese themselves, they are only to be obtained, if obtained at all, by the free consent of the Chinese Government, and as a result of friendly negotiation.

That they are not rights secured by Treaty is beyond dispute. And the concessions they involve are quite as certainly not in accordance with any principles of international law unless the free consent of the Chinese Government be given. A nation is universally held to be master of its own actions so long as they do not affect the perfectright of other nations; and it owes as a duty to itself in the first instance, and in preference to all other nations, to do everything that can promote its own happiness and perfection without impairing the happiness and perfection of other nations. When a nation cannot contribute to the welfare of another without doing an essential injury to itself, it has reached the limit of its natural obligations towards that nation. Every nation is entitled to form its own opinion whether it can perform towards another nation any good office without neglecting the duty it owes to itself; but Treaty engagements may control the existence of a nation's full judgment in such matters; for a nation may voluntarily waive some portion of its liberty which is by nature inherent in it. Such being the broad principles, which a reference to any text-book on the law of nations will show, universally accepted as lying at the foundation of all international intercourse among civilized States, it is obvious that we cannot depart from them in dealing with China. To impose all the obligations, and deny her all the privileges of civilized nations, would be an unheard-of pretension. Such, at all events, has never been our policy, and Her Majesty's Government has only recently given public assurance that it never will be under any circumstances. In requiring the faithful fulfilment of those obligations, we engage to respect all her rights as an independent and sovereign State. Both rest, in fact, upon the same foundation. Nor do I doubt that British merchants will, as a body, freely admit these to be the conditions under which alone any revision of the Treaty can be carried on. I only recall the fact in this place, because they have been somewhat overlooked in many of the Memorials which have reached me touching the advantages to be sought, and the wants of trade. It is in the interest of those who are engaged in the trade with China, that they should not misapprehend either their own position or that of their Government, and so indulge in false hopes as to the possible results of pending negotiations for the benefit of all concerned. To remove all obstructions to the free development of trade and its extension throughout the interior—to relieve it from all excessive taxation or arbitrarily imposed charges, and as far as possible diminish the cost and increase the facilities for transport of goods and communication with the great inland centres of trade, is the earnest desire of Her Majesty's Government. Of that the mercantile body may feel

thoroughly assured. It is not to be anticipated, therefore, that any efforts will be spared within the limits imposed by Treaty engagements, and the law of nations, to effect these objects as fully, completely, and satisfactorily as shall be found possible. Nothing will more satisfactorily contribute to the success of such efforts, however, than the cordial co-operation of all the members of the mercantile class in supplying needful information of a practical kind, such as, I am happy to acknowledge, has been freely given; and, after weighing all the actual conditions under which the present Treaty is more or less imperfectly carried into execution, suggesting such emendations and modifications as their experience may furnish, with a view to rendering its provisions more effective, and the main object, the development of commerce, more easy of attainment.

It is with this object that I have endeavoured, in reference more especially to this question of transit dues, to give some additional information in the hope that it may serve to guide the Chamber in their deliberations, and assist any others interested in the trade in arriving at a right conclusion on all matters connected with the solution of the difficult problem presented by our trading relations with an Eastern Empire situated as China is at the present time.

You will forward a copy of this despatch to the Chamber of Commerce at Shanghae; and also to Mr. Consul Robertson for communication to the Chamber at Hong Kong, and inclose any replies that may be received, in copy, direct to the Foreign Office.

Your, &c.
(Signed) RUTHERFORD ALCOCK.

No. 119.

Consul Medhurst to the Earl of Clarendon.—(Received June 14.)

My Lord, *Shanghae, April 22, 1869.*

FOR the information of your Lordship I have the honour to forward copy of my despatch of this day's date to the address of his Excellency Sir Rutherford Alcock, K.C.B., inclosing a printed copy of a letter addressed by Mr. Cunningham to the Consul-General for the United States of America, on Treaty revision.

I have, &c.
(Signed) W. H. MEDHURST.

Inclosure 1 in No. 119.

Consul Medhurst to Sir R. Alcock.

Sir, *Shanghae, April 22, 1869.*

REFERRING to my despatch dated 1st of February last, in which I forwarded copy of a letter addressed to me by Mr. Cunningham, on the subject of Treaty revision, I have now the honour to submit copy of a subsequent communication made by the same gentleman to the United States' Consul-General, in which he furnishes Mr. Seward with a copy of his letter to me, and enters somewhat more largely into the subject of the attitude of foreign Powers towards the Government and people of China.

Your, &c.
(Signed) W. H. MEDHURST.

Inclosure 2 in No. 119.

Mr. Cunningham to Mr. Seward.

Sir, *Shanghae, February 8, 1869.*

HAVING addressed Her Britannic Majesty's Consul, at his public invitation upon the subject of the Treaties, I beg to inclose a copy to you that, in case there is anything in my letter deserving of consideration, it may be of use to our own authorities.

It seems to me that foreign nations alternate between too lenient and too forcible an attitude towards China. It is sometimes assumed that it is an existence, weak-jointed, and halting perhaps in physical health, but full of good intentions and even of lofty aspirations. That its course is guided by maxims of profound wisdom, and its governors and statesmen animated by a sagacity and shrewdness beyond the average of those of Western nations.

This is the view that Mr. Burlingame advocates, and it is this view that will no doubt now for a time be in the ascendency.

The Chinese, under the temptation that results from the forbearance of foreign nations under this condition of relations, soon bring about a reaction by a display of very opposite qualities.

In this reaction, extreme opinions still have sway, but in the other direction. The national character is then represented by the Western press as a very low type of character indeed: full of cruelty, injustice, rapine, and corruption. The truth, of course, lies between. There certainly does not exist a high morality. A lofty standard there may be, but of little effect practically. Though moral platitudes appear constantly in their despatches and edicts, and in their conversations with the foreign Ministers, very little of the spirit attaches to their acts. Their sagacity is cunning, and their astuteness distrust. They cannot see their way to a policy; they cannot even discriminate between useful and harmful propositions. Their simple plan is to reject all as long as the liberty of action is left to them. They know, in fact, many advanced maxims, for in their former days of prosperity they reached a point which would have been civilization 100 years ago; but as for an enlightened policy, or any liberality of ideas, such a thing is unknown in China. There is the shallow pretence, but without the reality.

On the other hand, as we who live here well know, they are not savages by any means. Education of a sort that trains the mind and refines the manners, has long ago reached a high point among them. It bears, in these days, fruit in no way proportioned to its pretentions, and barren of the practical benefit to society which results from Western systems, but, at all events, it elevates them far above the uncivilized portions of mankind.

In short, they cannot be treated, on the one hand, as if they had knowledge to see the right, and virtue to do it when seen; nor, on the other, as if they must, as a matter of course, be forced to give justice and to adhere to engagements.

It is more especially in their State affairs that the Chinese need assistance. They are incapacitated from reforming these by their conventionalism, their self-conceit, and by what may be termed the custom of dishonesty. They cannot even think honestly on such matters. They refuse to see conclusions which are painful or distasteful, and cling to error when they must know that it is error. Their boasted wisdom is merely the dry husks of maxims which they cannot apply to the current affairs of the day. There is thus no vigour in the administration, and without vigour there follows corruption in any country. In China, where the tendency is unchecked by moral considerations, and encouraged by customs unsuited to the present day, it reaches the extreme.

When, therefore, it is asserted that this is a great and progressive country, governed upon great principles, guided by a generous policy, eager to enter upon the race for improvement among the foremost nations of the world, not only are Western nations misled, but evil is done to China herself. For, in so far as the first act upon such assurances, they will act to the ultimate injury of the latter. It is a simple fiction to say it is a progressive country. It would not have progressed one iota (unless it is progress to travel on the road to decay) but for the force from the West which has propelled it. It is not even a great country, except in regard to numbers, and in that only by taking words for facts. For it is not one country, but several, feebly bound together, and many portions a source of weakness and expense to the Central Government instead of a source of strength.

The Government is guided by purely selfish instincts, the instincts of an alien race that fears the advent of more vigorous ideas, as injurious and dangerous to its now feeble powers.

As for a "policy" or "generosity" as affecting the destinies of the Empire in the interests of the people, one smiles either with contempt at the credulity, or admiration at the audacity, of such an exponent of their principles. These views of the progressive tendency of the Chinese rulers of to-day are, of course, asserted in the interests of these rulers, as, if foreign nations could be brought to believe them, they would leave the Chinese to develop in their own way. There being in truth no will, there would be no way; but, still, as regards the rulers alone, they would be relieved from pressure, and so gain their immediate object.

Whether they would gain ultimately depends upon the disposition of Russia. If China stood isolated in the world, the forbearance of all might be an advantage. Shouldered as she is by so powerful and aggressive a neighbour, it may be that the only effective protection for the present dynasty is in the intimacy with the other Western Powers.

If it can be made to appear that the Russians have the will and the power to occupy China, it will be granted that there is at least a strong likelihood of that great event coming to pass. As to the will, there is no proof, of course. One can judge only by analogy.

They have extended themselves in Asia wherever they have had an opportunity, and they have recently conquered and annexed the Kingdom of Bokhara at great cost, completing the extension of their dominions in that quarter to the borders of British India, a boundary which they must accept as final in that direction. The difficulties in that enterprise were greater, and the advantages not to be mentioned as compared to those to be incurred or gained in the acquisition of China. In the actual direction of this Empire, they have taken and occupied with forts within a few years the great tract of country lying between the Amoor and the present frontier, without any advantage in the region itself to attract them, and apparently only for the object of reaching nearer to China Proper. They obtained a valuable port upon the coast, but that they could have had without the costly annexation of so great a territory.

They have more young men learning the Chinese language, in one way or other, than all the other Westerns together, and they push their traders into the country with a pertinacity quite uncalled for by the exigencies of their trade.

Finally, there lies before them a prize unparalleled in the history of the world. A nation of at least 200,000,000 of industrious, energetic, and ingenious people, ripe for conquest, and capable when conquered of giving inexhaustible supplies of excellent soldiers and sailors; a nation poor indeed in resources at present, but capable of a miraculous resurrection under an energetic rule. A country full of natural wealth, with an immense area of fertile soil already under cultivation; with a system of navigable rivers unsurpassed in the world; a coast abounding in fine harbours, and commanding this side of the Pacific; a dominion reaching to the tropics and including in its wide embrace every climate and almost every valuable production of the earth.

It is impossible that, with their antecedents, their settled policy for centuries, the Russians should fail in desire for such a prize as this. As for the power, unless succoured by other Western nations, the country would lie defenceless before the assault of 50,000 men led by a General skilled in modern war. Such succour, if it came at all, would probably come too late. By occupying the western and north-western provinces under one pretext or another, and with the declaration that it was provisional and temporary, they could fairly reach the coast and have possession of the main strategical points, with 200,000 or 300,000 Chinese soldiers under arms and in effective condition, before any European Power would have concluded to intervene. Their conclusions then would be uninteresting.

In view of this greatest of hazards, it would seem to be the natural policy of the Government to cultivate as close relations with other Western people as possible; to introduce them into the country; to accept their inventions and improvements; to obtain foreign arms and equipments; to train an army to the European standard of efficiency and under European officers. These are the steps which would be pressed on the Chinese authorities by their well-wishers, and sedulously followed up if they wish them to maintain even their present position.

It may be, however, that in the great interests of humanity, foreign representatives may not have the prosperity of the present dynasty and government really at heart. Of this I do not pretend to judge. They may feel that nothing will elevate the Chinese people and place the country fairly in the path of progress and reform but the Government of a Western Power. It does indeed seem impossible that any real good can come from the selfish and apathetic race of rulers that now misgovern the country, and in the interests of the millions who suffer from their incapacity or perversity, foreign Powers are perhaps bound to withhold advice or suggestion that may delay the hour of deliverance. If such is the case, no course seems so wise as to leave them as much as possible to such seclusion as they can keep, and to their present narrow policy. With no Western influence but Russia in the interior, and no advisers but their antiquated maxims, they will drop the easier prey into the lap of their vigorous neighbour—friend or enemy, as he chose to take the part, and as circumstances recommend.

Whether Russia will do evil or good to the world at large, when she has an army of 2,000,000 men on the Pacific, and a revenue to match, is a further point for consideration, but much beyond my province to discuss. I only express my conviction that such a course of things is not only possible but likely, if the Chinese inclination to resist progress and to hold Western nations at arm's length is allowed to control events.

I am, &c.

(Signed) EDWARD CUNNINGHAM.

No. 120.

Vice-Consul Gregory to Mr. Hammond.—(*Received June* 14.)

Sir, *Tamsuy, Formosa, March* 16, 1869.

IN continuation of my despatch of the 21st ultimo, I have now the honour to inclose copy of my despatch of this day's date to the address of Her Majesty's Minister at Peking, on the subject of "subsidiary ports," &c.

I have, &c.
(Signed) WM. GREGORY.

Inclosure in No. 120.

Vice-Consul Gregory to Sir R. Alcock.

Sir, *Tamsuy, March* 16, 1869.

IN continuation of my despatch of the 21st ultimo, in regard to subsidiary ports, inclosing a letter from Messrs. Dodd and Co., I have the honour to add that Mr. James Milisch, the head of the other principal resident mercantile firm (who is of German nationality), has expressed to me his desire for an extensive opening of the coast of Formosa to the trade of European vessels. This gentleman's views differ somewhat from those shown in Messrs. Dodd and Co.'s letter. Messrs. Dodd and Co. appear to be in favour of cargo-boats. Mr. Milisch observes that cargo-boats have the disadvantage of not being an insurable means of conveyance, whereas goods taken in European vessels can be insured.

In regard to this subject, I venture to suggest that British shipping may, perhaps, have an interest distinct from that of merchants in the opening of new ports. At a port where a European merchant would hardly find any business suited to his wishes, a European vessel might, nevertheless, obtain remunerative employment from the native traders.

I forward a copy of this despatch direct to the Foreign Office.

Your, &c.
(Signed) WM. GREGORY.

No. 121.

Lord A. Loftus to the Earl of Clarendon.—(*Received June* 14.)

My Lord, *Berlin, June* 12, 1869.

WITH reference to my despatch of the 31st ultimo, I have now the honour to inclose to your Lordship a translation, for which I am indebted to Lord Brabazon, of the answer of Count Bismarck to the note I addressed to him, requesting that the Representative of the North German Confederation at Peking might be instructed to render any assistance in his power to Sir Rutherford Alcock in the negociations with which he is engaged with the Chinese Government for the improvement of commercial relations with China.

In this note Count Bismarck states that he shall have great satisfaction in instructing the Representative of the North German Confederation at Peking to give his full support to Sir Rutherford Alcock in his further negotiations with the Chinese Government, in accordance with the directions laid down by the Board of Trade for his guidance.

I have, &c.
(Signed) AUGUSTUS LOFTUS.

Inclosure in No. 121.

Count Bismarck to Lord A. Loftus.

(Translation.)

M. l'Ambassadeur, *Berlin, June* 9, 1869.

I HAVE the honour to acknowledge the receipt of your Excellency's note of the 31st ultimo, relative to the negotiations at Peking for the revision of the Treaty of

Tien-tsin. I rejoice to perceive by the duplicate copies of the Board of Trade letter of the 19th May, forwarded to me in conformity with the instructions of Her Majesty's Principal Secretary of State for Foreign Affairs, that the opinions which I expressed to his Lordship, through Count Bernstorff, on the 18th of April, against the present result of these negotiations, and which was communicated to the Lords of Trade, is in perfect accordance with their views.

I shall, therefore, have great satisfaction in instructing the Representative of the North German Confederation in Peking to give his full support to Sir R. Alcock in his further negotiations with the Chinese Government, in accordance with the directions which have been laid down by the Board of Trade for his guidance.

I cannot, however, refrain from remarking that the attitude (or appreciation) of Baron von Rehfues from the commencement of these negotiations has been far from sanguine. In the important commercial interests of Germany in the east of Asia, he has ever been mindful of the heavy responsibilities which would attach to him for the consequences of untimely and impetuous pressure to obtain by violence precarious advantages.

He has, therefore, only so far abandoned the reserve which his instructions imposed on him, as he had, as your Excellency is aware, received already previously orders to support his British colleague in all those points the attainment of which might appear to him practicable and desirable in the common interest of all the Treaty Powers.

The criticism contained in the letter of the Board of Trade with regard to the attitude maintained by the Representative of the other Treaty Powers during these negotiations cannot apply, therefore, to the Minister of the North German Confederation.

Whilst requesting your Excellency to bring the above to the knowledge of the Earl of Clarendon, I take, &c.

(Signed) v. BISMARCK.

No. 122.

The President of the Northwich Salt Chamber of Commerce to the Earl of Clarendon.—

(*Received June* 15.)

My Lord, *Northwich, June* 14, 1869.

A DEPUTATION from the Salt Chamber of Commerce, as your Lordship will have learnt from Mr. Tollemache, had an interview on the 7th instant with Sir Louis Mallet at the Board of Trade and also with Mr. Wade, who is about returning to China to join the British Embassy there.

The object of the Chamber was to point out the great importance of making another effort, now that a revision of the Treaties with China is under discussion, to obtain the admission of English salt into China. To arrive at a practical result, the Chamber, under the advice of Mr. Wade, will confine themselves to ask from the Chinese authorities permission to import into the port of Shanghae a limited number of cargoes of salt, say a cargo per month, or twelve cargoes during the year, for a period of five years, as an experiment, to test the practicability of this trade, and to prove that it would be to their advantage to allow the importation of our pure manufactured salt, both as a superior article of food for the people, as well as a great benefit to the Chinese revenue.

The Chamber respectfully urge this matter on your Lordship's attention, in order that every possible effort may be made by Her Majesty's Representatives in China, to listen to so moderate and reasonable a proposition as that now suggested. The port of Shanghae, moreover, possesses the requisite machinery for bonding and collecting the duty under Anglo-Chinese superintendence.

The Chamber takes leave to advance, that it is a matter of the utmost importance to the shipping interest, as in the event of coal mining being established in China, their bulky article of outward freight will be taken away from them, and nothing but salt could replace it.

I inclose, for your Lordship's perusal, copy of a statement lately presented to Mr. Burlingame after an interview the Salt Chamber had with that gentleman, when he promised to represent the case favourably to the Chinese authorities.

I have, &c.

(Signed) E. L. PALK.

Inclosure in No. 122.

The Salt Chamber of Commerce, Northwich, to Mr. Burlinghame.

Salt Chamber of Commerce, Northwich,
December 28, 1868.

Sir,

CONSIDERABLE correspondence on the subject of the salt trade has taken place between the Representatives of the Empire of China and Great Britain during the last twenty years, and it is needless to go over the whole ground again.

The Salt Chamber will, therefore, only refer to the last official communications between Sir Rutherford Alcock and Prince Kung, under the dates of 19th July and 1st August, 1866. On the one hand, it was submitted that the revenue of China would be much benefited by a European trade in salt, and that the British article which would be presented to the Chinese people was undoubtedly superior. It was also submitted that a relaxation and alteration in the ancient laws of China regarding salt had already taken place. On the other hand, Prince Kung urged, whilst admitting these facts, that a great number of people, amounting to some millions, were employed in the manufacture, porterage, and transportation of salt, and would be thrown out of employment, and deprived of their livelihood.

Now, the Chamber begs to advance that whether the salt comes from Europe or from elsewhere, the amount of native labour employed upon its transport would be the same. Foreign ships might bring it to one port only, and from thence it could be distributed by native merchants and native junks. It may be that Chinese junk-owners, accustomed to illicit traffic, would object to any alteration, but their objection ought surely to have no weight with the Government.

The Salt Chamber begs further to submit that the labouring classes would benefit from the free trade in salt, independently of the inestimable value of obtaining a necessary of life in a pure condition.

The ships which bring the salt would need a return cargo, to furnish which the grass of China, required in Europe for paper-making and spinning, and the oil from seeds grown and pressed in China, would be purchased by the British to an immense extent. In this way both a vast amount of employment would be offered to the Chinese people, and the salt which they need would be paid for in grass and oil, for which they have at present no sufficient market, for want of the means of cheap transport to Europe. For instance, the British merchant might bring a cargo of salt, which he could afford to sell at Shanghae at 3*l.* per ton, and might take in return a cargo of oil or seeds, worth from 20*l.* to 30*l.* per ton. Thus a single ship load, of the average size, would furnish a sum equal to about 40,000*l.*, available for the employment of Chinese labour.

In forming these conclusions, we are guided by what has occurred in India. Fifteen years ago, our export of salt to that country hardly existed. In consequence, however, of the Government admitting British salt upon fair terms, the import has now reached nearly 300,000 tons per annum, and the Indian labourer (the Molunghee) has left the salt swamps of the Ganges to cultivate jute, linseed, and rice. The trade in jute, which was as small as that in salt, has increased to 700,000 bales per annum. The trade in oil, seeds, &c., which scarcely figured in our Calcutta exports before the alteration in the duties on salt, has increased to tens of thousands of tons. The wages of the poor Molunghee have been tripled; the revenue of the Indian Government derived from salt has risen, in consequence, in a few years to 1,125,000*l.* sterling. The salt smuggler has almost disappeared, and a necessary of life is given in a pure state to the consumer, at a lower price than he paid before for a very inferior article. It must also be borne in mind, that an import of European salt into China could only be the growth of years; so that any immediate disturbance of Chinese labour, such as the Prince of Kung apprehended, is an impossibility.

The salt trade has always led the way in the development of free commercial intercourse between nations. The greatness of the port of Liverpool, which is the centre of half the trade of the United Kingdom, is mainly due to the vicinity of the salt beds of Cheshire. The ships laden with salt went to America, and the result has been the enormous cotton trade with that country. Ships laden with salt went out to Africa, and the result has been the creation of the palm-oil trade. And more recently, ships laden with salt went up to Calcutta, and the result has been the great trade in the new fibre of jute, linseed, and of various other articles of Indian produce.

We, therefore, point with confidence to these facts, and ask the great Chinese people to follow the course which has been attended with such advantages in the countries we have named, especially in India.

The Shanghae Chamber of Commerce, through its President, Mr. Tyson, has published many documents to prove the extreme desirability of a trade in salt, to assist in opening up a trade with Europe in raw produce.

Mr. Consul Winchester, of Shanghae, has proved by many Reports, that it would be considered an inestimable boon by the Chinese population in his district if they could get European salt.

We, the salt manafacturers of Great Britain, have at our disposal, in a situation which is unequalled for the facilities of distribution over the world, inexhaustible beds of the purest salt, in the immediate vicinity of equally pure beds of coal, and are thus able to manufacture and deliver our produce at a rate which permits us to distance all competitors. We seek extension of our trade, and we point to the past as evidence of the fact, that free trade in salt in this country has enabled us to increase our manufacture within the last half-century, from about 150,000 to 1,500,000 tons; and we have always found that the countries thrown open to our trade have been equally benefited by an extension of trade in their own produce.

We have no doubt, from past experience, that such will be the case with the Empire of China; and leaving this most important matter in your hands, we have, &c.

The Salt Chamber of Commerce,
(Signed) H. E. PALK, *President.*
JOHN MOORE, *Secretary.*

No. 123.

Mr. Hammond to the President of the Northwich Salt Chamber of Commerce.

Sir, *Foreign Office, June* 23, 1869.

I AM directed by the Earl of Clarendon to acknowledge the receipt of your letter of the 12th instant, requesting, in the name of the Salt Chamber of Commerce, that Her Majesty's Minister in China may be instructed to urge the Chinese Government to permit, by way of experiment, the importation in the port of Shanghae of a limited number of cargoes of salt for a limited period; and in reply I am to acquaint you that Lord Clarendon will forward a copy of your letter to Sir R. Alcock, and direct him to urge the Chinese Government to accede to the request contained therein, although his Lordship fears that the application will be useless.

I am, &c.
(Signed) E. HAMMOND.

No. 124.

Sir R. Alcock to the Earl of Clarendon.—(Received June 26.)

My Lord, *Peking, April* 14, 1869.

I HAVE the honour to transmit a despatch, with its inclosures, from Mr. Consul Fittock, pointing out certain practical disadvantages attaching to the present Treaty in the wording of Article XXXVIII, by which the master is made responsible, to the amount of 500 taels fine, for a false manifest, or for discharging goods without permit; and in the latter case the merchant, owner of any goods so discharged, who may be in England, and can have no control in the matter, is liable to the confiscation of his property.

In the one case, from the poverty of the master, especially of small coasting vessels, no fine of this amount can be levied; in the latter, there seems a palpable injustice.

It might be desirable, I think, to so modify the Article that a power of mitigation should rest with the Consul; that it should be fine, or imprisonment also, at the Consul's discretion, where there are no effects to meet the fine; and also that the merchant's goods, if he is no party to the infraction of the rule, should be protected from confiscation.

Before any final revision can take place, there may yet be time for instructions to be received.

I have, &c.
(Signed) RUTHERFORD ALCOCK.

Inclosure 1 in No. 124.

Consul Fittock to Sir R. Alcock.

Sir, *Ningpo, February* 6, 1869.

IN accordance with the instructions contained in the last paragraph of your Circular despatch of the 31st of May last, I have the honour to report that only two plaints have been filed in this Consulate by the Commissioner of Customs under the rules for joint investigation, &c., since they came into operation, and both these were filed under Rule VI to recover a fine of 500 taels from the masters of two sailing letter-lorchas for false manifests. One was dismissed on hearing, and the other was withdrawn by the Plaintiff.

In opening the Court in the case that came on for hearing, two circumstances struck me as open to objection in the case referred to; 1st, that the Commissioner should take his place on the bench, and conduct the case on behalf of the prosecution. I respectfully submit that conducting the prosecution from alongside the Judge is unusual and open to objection; and the more so, as, in the 2nd place, the Commissioner is entitled to appear either personally or by deputy to conduct the prosecution.

In the case recently heard, Mr. Boura, the Acting Commissioner, appeared in person to conduct the prosecution, but he himself remarked that he thought the term deputy would be better if more clearly defined. With the above exceptions I consider the Rule VI perfectly calculated to meet the object for which it was framed.

Another and more serious doubt occurred to me during the trial, viz., whether it was practically of any use for the Commissioner of Customs to press for a conviction in such cases, the penalty sought to be recovered being about 150*l.*, whilst, if only leviable upon the personal property of the master, in all probability a distress warrant would not be returned with a larger sum than 20 or 30 dollars. Mr. Boura was not certain whether the owners or vessel could not be held responsible for the fault of the master and liable for the fine. I deemed it best, therefore, for my own satisfaction, to submit the question to Sir Edmund Hornby for his opinion; and I do myself the honour to inclose herewith a copy of my despatch and the Judge's reply, which you will see entirely confirms my view in respect to the penalty affecting the master only. Such being the case, it occurs to me that the penalty should be either "fine or imprisonment," or else, that the power of mitigating the fine should rest with the Court, and not with the Chinese Government. I question whether such a heavy penalty could be levied upon the personal property of any British ship-master, and I am certain such a sum could never be distrained upon the personal property of a single one of the many masters of lorchas sailing out of this port; and under these circumstances, so far as these craft are concerned at all events, I think it would be as well for the Commissioners of Customs to be content with the confiscation of the goods, the siezure of which alone only proving that the manifest handed in by the master was incorrect, and not that he intentionally handed in a false manifest. Generally, the master is the only foreigner on board these vessels, and the cargo is put on board and taken out by the charterers; the freight consists of innumerable packages of native produce, the very names of which must be unfamiliar to the person who is alone held responsible for scheduling them correctly; and it appears to me, if any one, the charterer should be made the party to pay the fine.

In the case referred to in my despatch to Sir Edmund Hornby, where judgment was given against the master, the fine was paid by the charterer, but simply, I believe, in his ignorance that neither he, the owner, nor the lorcha was liable for the penalty, only the master.

As regards Article XXXVIII of the Treaty, the above remarks apply equally as to the probable difficulty of levying the fine upon the master; and what I desire to point out is this:—If a merchant in London, or elsewhere, has shipped 20 bales of long ells (or other goods) of the value of 500*l.*, if the master shall open hatches (and these goods being on the top) discharge them without having received a permit to open hatches, the master would become liable to a fine of 500 taels, and the 20 bales of long ells would be confiscated wholly, and the only remedy the merchant in London would have apparently would be, nil.

As the Treaty of Tien-tsin is now undergoing revision, I trust you will consider the above remarks of sufficient importance to justify my submitting them to your notice.

Your, &c.

(Signed) W. H. FITTOCK.

Inclosure 2 in No. 124.

Consul Fittock to Sir E. Hornby.

Sir, *Ningpo, January* 27, 1869.

HER Majesty's Consul having been instructed to refer to the Chief Judge for directions in cases of doubt, I have the honour to ask your advice under the following circumstances:—

Article XXXVII of the Treaty of Tien-tsin provides that, "the master will be responsible for the correctness of the manifest, which shall contain a full and true account of the cargo on board," &c., under a penalty of 500 taels.

Artitle XXXVIII sets forth that, "if the master shall open hatches and begin to discharge any goods without such permission, he shall be fined 500 taels, and the goods discharged shall be confiscated wholly."

According to my reading of the above clauses the responsibility lies with the master personally as distinct from that of the ship or vessel; but if it is intended if the master is fined, the only way to levy the amount would be by distraint on the master's personal property, the penalty in most cases could not be enforced, as 500 taels is equivalent to over 150*l.* sterling, and very few ship-masters, I imagine, move with such an amount of property about them.

My reason for mooting the question is this:—some time ago the master of a lorcha was fined 500 taels under Article XXXVII, and the penalty was paid, but as I have reason to believe by the Chinese charterers of the vessel, they having found it worth their while to cloak the master.

On the 22nd instant, the Commissioner of Customs filed two more plaints against masters of lorchas under the same clause, one of which cases was dismissed on hearing, and the other case was withdrawn by the plaintiff; but had conviction in either of these cases been recorded, the personal property of either of the defendants did not probably amount to 50 dollars.

I think, therefore, under these circumstances, Her Majesty's Consul should be informed as to whether the power of levying the fines in such cases is confined to distraint upon the personal property of the masters, and I trust I shall not be considered out of order in seeking the advice from you.

I have, &c.
(Signed) W. H. FITTOCK.

Inclosure 3 in No. 124.

Sir E. Hornby to Consul Fittock.

Sir, *Shanghae, February* 2, 1869.

IN reply to your despatch of the 27th ultimo, I beg to say that the fine mentioned in the Treaty, and referred to by you, is one which affects the Captain only, and must be recovered from him, and him only. The property of his owners is not affected by it.

I have, &c.
(Signed) EDMUND HORNBY.

No. 125.

Mr. Thornton to the Earl of Clarendon.—(Received June 26.)

(Extract.) *Washington, June* 12, 1869.

IN compliance with the instruction contained in your Lordship's despatch of the 26th ultimo, I addressed a note on the 9th instant to the Secretary of State inclosing copies of the extract of the letter from the Board of Trade, relative to negotiations with China; and I have now the honour to inclose copy of Mr. Fish's answer, in which he promises to instruct the United States' Minister in China to co-operate with Sir. R. Alcock, and render him any assistance which may be in his power towards ensuring success to his negotiations.

Inclosure in No. 125.

Mr. Fish to Mr. Thornton.

Sir, *Department of State, Washington, June* 12, 1869.

I HAVE had the honour to receive your note of the 9th instant, with one copy of the extract from a letter of the Board of Trade to Mr. Hammond of the Foreign Office in regard to proposed changes in Treaty relations with China. That paper has been duly considered, and exhibits great practical knowledge of the subject, and humane and enlightened views.

In general, I heartily concur in the recommendations of the Board, and shall instruct the United States' Minister to China to co-operate with Sir R. Alcock and render him any assistance which may be in his power towards ensuring success to his negotiations.

I have, &c.

(Signed) HAMILTON FISH.

No. 126.

The Earl of Clarendon to Sir R. Alcock.

Sir, *Foreign Office, June* 28, 1869.

WITH reference to my despatch of the 18th instant, I transmit to you herewith, for your information, a copy of a despatch from Mr. Thornton,* stating that the United States' Government will direct their Representative at Peking to co-operate with you in regard to the revision of the China Treaties.

I am, &c.

(Signed) CLARENDON.

No. 127.

Sir R. Alcock to the Earl of Clarendon.—(Received July 1.)

My Lord, *Peking, April* 7, 1869.

I HAVE the honour to inclose herewith to your Lordship the copy of a letter addressed to Mr. King, Her Majesty Acting Consul at Newchwang, by the mercantile community at that port, on the subject of extending our commercial relations with China, in view of a revision of the Treaty of Tien-tsin.

I have, &c.

(Signed) RUTHERFORD ALCOCK.

Inclosure in No. 127.

British Merchants at Newchwang to Acting Consul King.

Sir, *Newchwang, March* 15, 1869.

IN reply to your Circular of the 5th instant, accompanying despatch of the 11th of December, addressed by Her Britannic Majesty's Minister to A. Pedder, Esq., Amoy, by which His Excellency invites expression of opinions on the possible extension of trade with both new and "subsidiary" ports in British-owned boats and vessels, we beg to submit the following remarks:—

1st. Of the ports alluded to, as the most eligible on the coast, Takushan is the only one which affects this district, and we need, therefore, to allude to it only. That the opening of Takushan will materially interfere with the prosperity of this port of Newchwang we cannot doubt, as vessels from the south would, by discharging piece goods and opium, &c., at the former, supply the same localities at present depending on the latter, and in the event of the Corea being opened to trade, Takushan would from its proximity become very important. Much of the pulse and other produce which now finds its way here for shipment to the south, would also stop short at Takushan, which will be naturally preferred on account of its being open all the year, whereas Newchwang is ice-bound from the 20th of November to the 20th of March. As for the interests of merchants and

* No. 125.

others who have expended money in settling at this port are concerned, it is clearly our opinion that it would not be desirable to open Takushan; but presuming that higher considerations are at stake than our selfish gains merely, we consider that the more China is opened to foreign trade the better it will be for England, inasmuch, at any rate, as regards her manufactures and shipping.

2ndly. Subsidiary ports, as alluded to by the Amoy Memorialists, would not, we think, be an advantage, if they involve the necessity of ships going to and from the Treaty ports to deposit papers, and afterwards returning to clear out in the usual manner, as great delay and heavy expenses must thereby be incurred.

3rdly. We observe that it is in contemplation to allow trade in inland waters by foreign boats and vessels not propelled by steam. It is evident that the privilege is scarcely worth having, unless the restriction as to steam be removed, for rivers and canals in China are so tortuous and shallow that they can only be navigated profitably in large flat-bottomed steamers of very light draught.

4thly. In conclusion we have to suggest that permission should be granted for the conveyance, in carts and otherwise, of opium and manufactures, &c., as well as by water, for great stimulus would be given to trade by such means. We have been allowed by the present Treaty to take goods inland, but when we have done so, the advantage was rendered nugatory by refusal on the part of mandarins at Moukden to allow the carts to unload, and our goods were returned at considerable loss to ourselves. Such extension of Treaty would pave the way for railways, for which we believe the nature and trade of Manchuria is better adapted than any other province of China.

We have, &c.

(Signed) BUSH, BROTHERS.
R. M. COHEN, *Agent for Sassoon and Co.*
E. AMBACH AND Co.
CLYALT AND Co.

No. 128.

Mr Hammond to Sir L. Mallet.

Sir, *Foreign Office, July* 1, 1869.

WITH reference to previous correspondence in regard to the revision of the Chinese Treaties, I am directed by the Earl of Clarendon to transmit to you a despatch from Sir R. Alcock, inclosing a copy of one he has received from Her Majesty's Consul at Ning-po pointing out certain practical disadvantages attaching to the present Treaty between this Country and China in the wording of Article XXXVIII; and I am to request that you will move the Lords of Trade to favour Lord Clarendon with their opinion upon this matter.

The inclosed papers being forwarded in original, I am to request that they may be returned when done with.

I am, &c.
(Signed) E. HAMMOND.

No. 129.

Lord Lyons to the Earl of Clarendon.—(*Received July* 2.)

My Lord, *Paris, June* 30, 1869.

I HAVE the honour to transmit to your Lordship copy of a note from the Marquis de Lavalette, stating the views of the French Government with regard to the letter from the Board of Trade of the 19th ultimo, respecting negotiations with a view to the improvement of commercial relations with China.

I have, &c.
(Signed) LYONS.

Inclosure in No. 129.

M. de Lavalette to Lord Lyons.

M. l'Ambassadeur, *Paris, le 28 Juin,* 1869.

VOUS m'avez fait l'honneur de m'écrire le 22 du mois dernier, en me transmettant deux exemplaires imprimés d'un rapport du Board of Trade où sont passés en revue les différents points sur lesquels pourrait porter la révision du Traité qui règle les relations de l'Angleterre avec la Chine, et vous avez exprimé, du nom du Gouvernement de Sa Majesté Britannique, le désir de voir la Légation de l'Empereur à Péking appuyer les négociations qui vont y être suivies pour préparer cette révision.

Les matières traitées dans le mémoire du Board of Trade ont été déjà et sont encore l'objet de l'étude des divers agents de mon Département en vue de la révision de notre propre Traité, et comme elles sont pour la plupart d'un intérêt commun, je serai heureux de pouvoir vous faire connaître à mon tour l'opinion que cette étude leur aura suggérée sur chacune en particulier. En attendant, je ne puis qu'adhérer entièrement à l'esprit général de la communication du Board of Trade, et je partage son avis d'ajourner la révision jusqu'à la majorité de l'Empereur de la Chine, c'est-à-dire, jusqu'en 1872 ou 1873; d'ici à cette époque les Traités actuels, bien observés, suffisent aux besoins, et l'intervalle des cinq années qui vont s'écouler pourra être utilement employé à approfondir les questions à l'étude et à préparer l'esprit des Chinois à l'extension de leurs relations avec la Chrétienté. Le Board of Trade fait aussi justement remarquer que la date de 1873 coincidant avec le terme des plus récents Traités permettra à toutes les Puissances d'unir leurs efforts pour une action simultanée qui rendra le succès plus certain.

Je prie donc votre Excellence de vouloir bien faire connaître au Principal Secrétaire d'Etat de Sa Majesté Britannique cette décision du Gouvernement de l'Empereur relativement à l'ajournement à l'année 1873, et l'assurer en même temps que des instructions seront adressés à notre Légation à Péking afin qu'elle prête un concours amical à celle de Sa Majesté Britannique dans les négociations destinées à préparer le futur Traité.

Agréez, &c.

(Signé) LAVALETTE.

(Translation.)

M. l'Ambassadeur, *Paris, June* 28, 1869.

YOU did me the honour to write to me on the 22nd of last month, transmitting to me two copies of a Report of the Board of Trade, in which are passed in review the different points on which the revision of the Treaty might bear, which regulates the relations between England and China, and you expressed, in the name of Her Britannic Majesty's Government, their desire to see the Legation of the Emperor at Peking support the negotiations which are about to take place there to prepare for that revision.

The matters treated of in the Memorandum of the Board of Trade have already been, and are still, the object of the study of different Agents of my Department in view of the revision of our own Treaty, and, as they are for the most part of common interest, I shall be happy to make known to you in my turn the opinion which that study has suggested to them on each one individually. Meanwhile, I can only adhere entirely to the general spirit of the communication of the Board of Trade, and I share their recommendation to adjourn the revision until the majority of the Emperor of China, that is to say, until 1872 or 1873; from now to that date the existing Treaties, well observed, suffice to our wants, and the interval of the five years which are about to elapse can be usefully employed in thoroughly studying the questions, and in preparing the mind of the Chinese for the extension of their relations with the Christian world. The Board of Trade also justly points out that the date 1873, coinciding with the term of the most recent Treaties, will allow all the Powers to unite their efforts in simultaneous action, which will render success certain.

I therefore pray your Excellency to be so good as to make known to the Principal Secretary of State of Her Britannic Majesty this decision of the Government of the Emperor in regard to the adjournment to the year 1873, and to assure him at the same time that instructions will be sent to our Legation at Peking in order that it may afford friendly assistance to that of Her Britannic Majesty in the negotiations destined to prepare the future Treaty.

Receive, &c.

(Signed) LAVALETTE.

No. 130.

The Earl of Clarendon to Sir R. Alcock.

Sir, *Foreign Office, July* 2, 1869.

WITH reference to my despatch of the 28th of May, I inclose herewith, for your information, a copy of a despatch from Her Majesty's Ambassador at Paris,* inclosing a copy of a note he has received from the French Government, stating their views with regard to the question of the revision of the Treaties with China.

I am, &c.
(Signed) CLARENDON.

No. 131.

Consul Medhurst to the Earl of Clarendon.—(Received July 11.)

My Lord, *Shanghae, May* 20, 1869.

I HAVE the honour to inclose, for your Lordship's information, copies of my despatches of the 10th and 18th instant, with inclosures, to his Excellency Her Majesty's Minister, reporting proceedings of a meeting held by the Shanghae Chamber of Commerce for the purpose of discussing Sir R. Alcock's despatches of the 23rd March and 1st April last, on the subject of Treaty revision.

I have, &c.
(Signed) W. H. MEDHURST.

Inclosure 1 in No. 131.

Consul Medhurst to Sir R. Alcock.

Sir, *Shanghae, May* 10, 1869.

INCLOSED I have the honour to submit, for your Excellency's information, a Minute of the proceedings of a meeting of the Shanghae Chamber of Commerce convened on the 7th instant, for the purpose of discussing the contents of your despatches dated severally the 23rd March and 1st April, on the subject of Treaty modifications. The meeting did not confine itself to the consideration of the one question; but as the extraneous subjects discussed possess more or less of public interest, I have sent the Minutes entire.

I have, &c.
(Signed) W. H. MEDHURST.

Inclosure 2 in No. 131.

Minutes of Meeting of the Shanghae Chamber of Commerce.

A MEETING of Members was held on the 7th instant. Present:—F. Porter, Esq., in the Chair; Messrs. Hogg, Lavers, Probst, Hayes, Bell, F. B. Johnson, King, Gubbay, Munro, Groom, Dow, Purdon, R. Miller, J. I. Miller, Helbling, and Gilmour.

The *Chairman* said the object of the meeting was in the first place, to consider letters dated the 23rd of March and 1st of April which Mr. Medhurst had received from Sir Rutherford Alcock. The first letter had reference chiefly to the questions of subsidiary ports, inland residence, missionaries, and telegraphs, on some of which comment might perhaps be necessary. Sir Rutherford stated, for example, in one place, that Russian traders had no right to reside in the interior; but it was a fact that in practice they do reside there, and enjoy all the privileges we enjoy at the Treaty ports. They had received indemnity for losses; and their authorities protect them. But the principal business before them related to the matter of transit dues. Sir Rutherford had remarked that it was highly desirable the system should be completely rdvised if it were changed at all; and there could be no question that merchants did want either a complete revision or none. It would be better to fall back on the present Treaty than accept the proposal laid before them. The propositions that had been brought forward were, as the meeting was aware,

* No. 129.

1st, that made by the Shanghae Chamber of Commerce; that the stipulated 2½ per cent. should not be exceeded, but should fall to the provincial instead of the Imperial revenue. 2nd, to abolish the Treaty stipulation altogether, which was objectionable, if for no other reason, because it was a dangerous principle to give up anything that had been already conceded. 3rd, a compulsory levy of 2½ per cent. on all foreign imports, on the distinct understanding that this should free them throughout the country. Now we all knew what that meant, although we may pay the 2½ per cent. here, the exactions would still continue in the interior: the Provincial Government must have a revenue, and would exact it. It seemed to the Committee highly undesirable that an additional 50 per cent. should be compulsorily added to the present duties, as we well knew that a tax on imports, paid here, would not free them through the country; and that the Imperial Government had little power over the provinces. 4th, there was the suggestion of the Hong Kong Chamber, that transit dues should be collected by the aid of the foreign Inspectorate; but he did not think this was likely to meet the wishes, or to lie within the power of the Peking Government. The Chamber was prepared with a suggestion on the subject, but wished, before laying it before them, to receive suggestions from some one not on the Committee. He doubted not there were several gentlemen present who had studied the question fully, and would be ready to say something on the subject.

Mr. King thought he should be expressing the views of most of those present, in concurring in the opinion expressed by the Chairman as to the expediency of keeping to the present system of transit dues in want of a better one. Its use at present was not very general, but it would be called into general requisition in the event of the local exactions becoming too heavy. It was only because they were now very slightly in excess of 2½ per cent. that the Treaty stipulation was less resorted to. It would, however, be always a powerful check on increased exactions; and he thought the suggestion to retain it till we got something better worthy of every consideration.

The *Chairman* suggested that an expression of opinion to this effect should be recorded as an instruction to the Committee in framing their reply to Her Britannic Majesty's Minister. He proposed—

"That this meeting considers that the proposed modification of the Treaty as to transit dues, by which 2½ per cent. should be made payable at the ports of entry, and cease to be optional, is the least satisfactory of all forms by which the levy could be collected, and contrary to the general interest of trade, and that it would only add by so much to the cost of taking goods into the interior; as local dues, in some shape or other, are sure to be superadded; and this meeting, therefore, still adheres to the views expressed in the Chamber of Commerce Memorial, in regard to the best means of collecting transit dues."

An Imperial edict might certainly be issued in accordance with the terms suggested from Peking; but it would probably not be very powerful in the provinces. It was necessary, therefore, that they should protect themselves, and they had a certain protection in the original Treaty stipulation that 2½ per cent. should not be exceeded. As had been truly remarked, although the stipulation was not at present very powerful, it would become so in case of exceptional exactions. In some cases, the inland dues were known to be very heavy. It had been stated, for example, in a Memorial drawn up by the Chamber last year, that the duties between this and Soochow amounted to 15 per cent. A private Memorialist had lately stated to Sir Rutherford that these were now reduced to 7½; and even if this were the case—of which the Chamber was not quite satisfied, they were still 5 per cent. in excess of the Treaty stipulation.

Mr. Johnson thought that the general opinion was in favour of what had fallen from the Chairman on the subject; and to show the futility of guarantees, it was only necessary to refer to what had occurred in the case of silk, when the transit-due clause of the Treaty first came into operation. The first silk which came down from the country under the protection of transit-passes, was saved from the levy of internal duties or squeezes, in excess of the 2½ per cent. commutation, to the extent of about 34 taels a picul; and the consequence was, that the authorities, instead of placing their levies upon the goods in transitu, instituted a tax upon each hong in the interior, where silk is collected. Even if it were possible to ascertain exactly the measure of the tax, it would, doubtless, be asserted that persons, not producers, were the subject of it, and it is highly improbable that the Chinese would dare to come forward to give formal evidence against the local authorities. Under such circumstances, it appeared to him that the proposed Proclamation would be entirely inoperative, and although not much had been said at the meeting, he thought all present concurred in the views which had been expressed. All would prefer putting up with evils that they were aware of, rather than render themselves liable to others, of which they knew nothing.

Mr. King seconded the resolution, which was then put to the meeting, and carried.

The *Chairman* remarked that the suggestion in the Chamber's Memorial regarding transit dues, ran as follows:—"In respect to transit dues, your Memorialists are strongly in favour of the system which provides for a commutation of inland dues upon imports and exports; and upon careful consideration are of opinion that great advantage would be gained by making the transit duty of 2½ per cent., as leviable by Treaty, payable at the market in which export produce is bought, or imports sold, in place of paying it, as at present, into the foreign Customs. It is naturally a source of vexation to the local authorities that dues which, according to custom, formerly came into their own coffers, should be now paid to the Provincial Exchequer, subject to Imperial control; and it is also to be remembered that, to a certain extent, this is an injustice to those officials who look to taxes upon the produce bought or goods sold in their districts, as the means of raising their revenue. Under such circumstances, a strong prejudice is naturally felt by them against foreign trade; and they are under temptation to impose taxes upon produce bought by foreigners; while, in consequence of no other duty being levied on it in the district, they are able to do so without fear of popular discontent.

Mr. Johnson thought the Minister's reply seemed to touch the very foundation of the grievance. It said one objection of the Peking authorities to the measure proposed by the Chamber was, that the Provincial authorities would get too great a share of the revenue. But the transit tax was expressly authorized in order that the Provincial authorities might not be deprived of the revenue, and if the proceeds went to Peking, it followed that the Provincial Government would be necessitated to impose other burthens to get an income.

The *Chairman* said another point in Sir Rutherford's letter that was worthy of consideration, related to the nature of the dues collected by the Provincial authorities at the present time. Sir Rutherford said—

"The Chinese expression for 'other dues,' Asiang-fei, is a significant one, and points to, or suggests, military requirements and local expenditure. Hence, it has been contended, on the part of the Chinese Government, that not only does the Treaty not prohibit the levying of other dues, but it does, by its reference to them first, and its non-reference to them in the sequel, provide for their collection according to time, place, and Government necessities, by leaving their amount to be taxed by time, place, and circumstance, instead of fixing them once for all and promulgating them. Read, however, by the light of the XXVIIIth Article of the Tien-tsin Treaty, the Chinese Government has felt constrained to admit that as regards British imports at least there is a distinct limitation to the taxing power; and that these having paid the Tariff duties should be conveyed into the interior free of all further charges except a transit duty; and that as regards both imports and exports, certificated goods while in transit were exempt from all other charges, and this whether in foreign or Chinese hands."

Now the question was, whether this did not imply a right in the Chinese to take out transit-passes if they thought fit, and to commute the inland dues as foreigners do. Sir Rutherford Alcock laid considerable stress on the practice of selling transit-passes to Chinese; referring to Ningpo more especially. He says they are there common articles of sale by foreigners, who take them out for the express purpose of selling them to the Chinese. It appeared to him (the Chairman) that the Chinese had a perfect right to take them out if they please.

Mr. Johnson could not see the injustice done to the Chinese revenue by the sale of transit-passes to the Chinese. All that could be urged in regard to the immorality of the traffic was, that those who declared goods to be theirs which were not theirs, declared an untruth, and so far were immoral. But so long as their acts did not injuriously affect the public interests by defrauding the revenue, he did not see that the foreign authorities were called upon to take any cognizance of them. He repeated that he could not see that any injustice was done to the Chinese revenue. If the transit-due clause was not intended to apply to native produce, shipped by foreign vessels to a native port, why subject it to a foreign tax? Surely the imposition of the duty levied by Treaty upon foreign trade, made the subject of such duty foreign trade. Take, for example, the export of cotton from Ningpo to Hankow. If the cotton were shipped in a foreign vessel, it paid a foreign duty much in excess of that levied on the same article conveyed by native craft. It was, therefore, constituted foreign trade, and entitled to all the privileges of it. It passed his comprehension how the application of transit-passes to such goods could be considered an injustice to the revenue. The immorality lay in the lie told by the foreign applicant; but that was a matter between himself and his conscience.

Mr. King thought it very desirable that they should have a complete understanding as to the application of the transit clause to the goods and not to the owner. He thought the system was instituted especially to protect the goods, and not the owner.

The *Chairman* quite agreed in this interpretation.

Mr. Johnson thought the foreign trade regulations applied to all merchandize that paid the foreign Customs' tax.

The *Chairman* next called attention to Mr. Dick's letter in regard to bonded warehouses (published in the "Daily News" of the 3rd instant). This also referred to a matter of considerable importance. There could be no doubt that in some instances the system of bonded warehouses would be a great advantage; vessels would be able to discharge more quickly, and the work of the Customs would be simpler. The fee proposed (300 taels) from private warehouses seemed rather high, as, at the ordinary rate of interest, it would probably represent a larger sum than many people employ in the payment of duties. How far the proposal was likely to be taken advantage of the Chamber had not as yet any information. If thought desirable it might call for some.

Mr. Groom thought the question raised was hardly within the province of the Chamber to decide, it was more a matter for the Customs to ascertain. The advantage from having bonded warehouses was undoubted; but the question whether private firms would pay 300 taels for the privilege was for those firms to decide. If a list were opened at the Custom-house for those firms which wished to avail of the privilege, offered to sign, he was certain it would soon be filled up. But the duty of the Chamber of Commerce, he thought, was only to express its opinion that it would be a general advantage that the bonded system should be introduced. The public wharves and large firms would be sure to at once accept the offer, but it might not be for the advantage of some smaller firms, who might think it better to store their goods in large godowns than to pay for the attendance of a Custom-house officer.

The *Chairman* was very glad Mr. Groom had expressed this view, which confirmed what the Chamber had written on a former occasion, urging the desirability of bonded warehouses to facilitate business. Would he propose a resolution in this sense?

Mr. Groom thought a resolution was hardly required; it was merely an expression of opinion. It did not seem within the province of the Chamber to ascertain how many firms would desire to bond their godowns, yet this was what he understood the Customs to ask. It might be suggested to Mr. Dick to open a list at the Custom-house and invite firms to subscribe to it. The list should be headed by the proposed regulations, as there would be several matters that would require arrangement.

The *Chairman* said the next thing that claimed their attention regarded the payment of silk duties. The Committee of the Chamber of Commerce had recommended on a previous occasion that all duties should be paid in advance. But a correspondence had since taken place between the silk Committee lately nominated and the Chamber, in which a return to the old guarantee system was recommended. Opinion was divided very much as to the advisability of adopting this suggestion; even the Committee of the Chamber were not unanimous. He himself thought the present system would work more advantageously, and did not see the necessity for deferring shipments beyond the time within which duty certificates could be obtained. In all other parts of the world business was confined to certain hours. We contrived to get our letters finished by a stated time under the new postal arrangements, instead of writing up to 4 or 5 o'clock in the morning. Tea shipments were managed very easily: the unfortunate silkmen seemed to be the only ones in trouble. But the question was an important one, and he would be glad to hear the views of any one who might differ from him.

Mr. Helbling instanced the case of a public silk inspector, to whom an order was entrusted at the eleventh hour. He could not refuse it; and probably would not be able to get the silk inspected and weighed in time to get the duty certificate, under the present system. It was only during the early part of the season that this pressure occurred, and only therefore during about three months that the concession asked for would be practically availed of. The Chinamen naturally objected to pay the duties before they were paid for their silk. The old system had worked well; there had been no difficulty and no defaulter. He thought the inconvenience to the Custom-house would be very slight, and he trusted that the Chamber would use its influence to procure a return to the guarantee system, on particular occasions, when it might be needed.

Mr. Hayes said it was important to recollect that when, a short while ago, Mr. Dick asked the Chamber to suggest some means for avoiding the guarantee system, it suggested the payment of duties before shipment. There was no way of retracting that advice without stultifying themselves.

The *Chairman* replied to some of the points urged, that if people found their orders could not be executed after a certain hour they would not give them. He thought the duty would always be forthcoming if pressure were brought to bear—if, for example, the Chinaman knew that he would not get paid for his silk before next mail, unless the certificates were obtained in time. Mr. Helbling had urged the disadvantage to a public silk inspector of not being able to execute a late order; but he would get the same

order for the following mail. He saw nothing to be gained from an extension of time; on the contrary, it seemed that the public silk inspectors wished to increase their own burthens.

Mr. Helbling did not agree. The Chinese would frequently hold out on a question of price till the last moment. The public Silk Inspector had an order to execute at that price, and must execute it if he could, if the offer came at 5 minutes to 12. But then he could not get the duty chop, as he could not apply for it until the silk had been weighed and passed.

The *Chairman* was aware that the Silk Inspector thought there was a disadvantage in the present system; but the Committee of the Chamber, no doubt, unfortunately for themselves, could not see it. To elicit an expression of opinion he would propose:—

"That this meeting sees no reason to alter the present system on which our duties are now paid, by making any exception in the case of silk."

Mr. Hayes seconded this Resolution, which was carried by 11 votes to 4.

Mr. Johnson said, though he was sure that the Chamber was wearied with discussions on Treaty revisions, and discouraged by the absurd anti-climax of failure which had attended all their hopes of progressive reform, there was one part of the Tariff Regulations which had hitherto escaped notice, and which had unfavourably affected the foreign carrying trade, and, through it, the general trade of the country. He alluded to the differential duties levied on Chinese produce, shipped from one native port to another by foreign vessels, as compared with Chinese craft. It would appear that when the Treaties of Nanking and Tien-tsin fixed the scale of duties to be levied upon imports from, and exports to, foreign countries, all goods carried by foreign vessels were treated as foreign trade, and a special provision was made for a Tariff upon native produce shipped from one Chinese port to another. If the question had been considered, the duties levied upon it would have borne some relation to the customary native imposts. Thus, under the Treaty of Nanking, sugar shipped from Canton to Shanghae, paid exactly the same duty as if it had been shipped to Europe; but under the Treaty of Tien-tsin a further claim was made. Not only was the foreign export duty charged by the Custom-house in Canton, but an import duty, the equivalent of the export duty, was sought to be imposed by the Customs at Shanghae. He could find no warrant for the levy in the Treaty. He presumed it was claimed under Rule 1 of the Rules of Trade attached to the Treaty, whereby it was laid down that imports, not enumerated in the Tariff for Imports, but enumerated in the Tariff for Exports, shall pay, on importation, the equivalent of the export duty; but he took the Rule to apply to imports and exports strictly belonging to foreign trade, supposing the case of imports from abroad, which were also usual exports from China. It seems, however, that after some discussion, it was settled, on what principle he knew not, that the import coast trade duty should be commuted to one-half the export duty. He would read to the Chamber a statement of the levies made on sundry articles between this port and Foo-chow, to show how harshly the differential imposts bear upon foreign shipping.

DIFFERENCE ON DUTIES Levied on Merchandize shipped through the Foreign and Native Customs for the Port of Foo-chow.

		Foreign Customs.	Native Customs.	Difference on 1 Picul.
	T. M. C.	T. M. C.	T. M. C.	T. M. C.
Nankeens: each package 20 pieces, weighing 13 catties—				
Foreign export duty	1 5 0	..	..	..
„ coast trade duty	0 7 5	..	..	..
„ defence tax	0 7 5	..	..	..
On one picul	3 0 0	3 0 0		
Chinese Customs—				
Export duty per package	0 4 4	..	..	..
Import dues	0 0 2	..	..	..
On 13 catties	0 4 6	..	0 4 6	2 5 4
Silk piece goods—				
Foreign export duty	12 0 0	..	..	..
„ coast trade duty	6 0 0	..	..	..
„ defence tax	6 0 0	..	..	..
		24 0 0		
Chinese export duty	4 0 0	..	..	..
„ import dues	1 0 0	..	..	..
		..	5 0 0	19 0 0
Medicine and sundry cargo, say of value of 10 taels per package—				
Foreign export duty	0 5 0	..	..	..
„ coast trade duty	0 2 5	..	..	..
„ defence tax	0 2 5	..	..	..
		1 0 0		
Chinese export duty	0 0 3	..	..	..
„ import dues	0 0 3	..	..	..
		..	0 0 5	0 9 5

He would also read a letter he had received from the Commissioner of Customs, showing that while trade generally had largely increased, the coast trade duty representing the foreign coast carrying trade had remained stationary.

"Gentlemen, "*Custom-house, Shanghae, May* 1, 1869.

"I have the honour to acknowledge the receipt of your letter of the 27th April, sending me 'a scale of the differential duties levied on Chinese produce, shipped hence to Foo-chow by vessels under foreign flags, as compared with Chinese owned craft.'

"Of the three duties levied on Chinese produce carried in foreign vessels, the first and principal one is the duty levied under the Tariff of 1858, which, entitled a Tariff for foreign trade, makes no distinction between imports and exports, properly so called, and articles produced and consumed in the country, and connected with foreign trade, merely to the extent of being carried in foreign vessels. It seems to have been considered in 1858 that carriage by foreign vessels constituted foreign trade, and that the terms of assessment applicable to imports from, and exports to foreign countries, were equally applicable to articles produced and consumed in China, when carried from one port to another in foreign vessels.

"Although it is not considered good economy in other parts of the world for a country to tax its coast and river trade, the ideas and necessities which cause the Chinese Government to raise revenue in that way are likely to remain in operation for some time to come. But while Chinese ideas and circumstances furnish the reason for the tax, they ought also to furnish in some degree the measure of it, and the rates at which it is levied should not exceed those at which the Chinese themselves, when dealing with native conditions, are found to have assessed their produce. There is a good reason for saying that the foreign trade Tariff should be confined to imports and exports, and that the regulations and rates for produce (without reference to the mode of carrying it), belonging to the home trade, should be dealt with separately. This question is one of the most important connected with the revision of the Treaties, and closely concerns the opening of new ports.

"Two other charges on produce carried in foreign vessels are mentioned in your list—the coast trade duty, and the 'defence tax.' The coast trade duty was added to the Tariff rates in 1861, and the amount of its annual yield has been nearly stationary since then. The 'defence tax,' levied only on goods landed and shipped by Chinese, is a local

one imposed by the authorities here, with the concurrence of foreign Powers in 1862, for the purpose of raising funds for the defence of the place against the rebels. As it is impossible to administer properly a tax which is based on such a principle as that of discriminating between the nationality of the owners of goods, the result has been that the yield of this tax has fallen off to about a third of the first year's amount, and that Chinese merchants expend a considerable sum annually in paying commissions to foreigners for enabling them to evade it.

"I am sending copies of your letter and list to the Inspector-General of Customs.

"I am, &c.
(Signed) "T. DICK,
"*Commissioner of Customs.*

"To Messrs. Jardine, Matheson, and Co."

Doubless, it would be difficult to induce the Chinese to give up a tax which they were receiving; and it would probably be urged that it was imposed for the purpose of protecting native shipping, but he could not find it justified by the Treaty, and thought the question should be urged upon the Foreign Minister. He need not say that the subject was a most important one, not only with reference to the carrying trade, but also as regarded the opening of new ports, if regular communication with them was thought desirable; and he trusted it would receive the attention of the Committee.

The *Chairman* said there could be no question as to the importance of the points raised by Mr. Johnson; and the Committee would give them every consideration. The next question for the consideration of the meeting was as to the measurement of teas here, or at home. The discussion had been adjourned from a previous meeting, for the acquisition of further information, but unfortunately the Committee had not been successful, as merchants here had not been in the habit of measuring teas before shipment, and had, consequently, no statistics. There seemed, however, little doubt that it was to the advantage of the shipper that his teas should be measured in China, and shipowners were quite aware that it was to their advantage that measurements should be taken at home. He had before him one case on which the difference from the measurement in China showed a loss to the ship of 25*l.*, as compared with the home measurement; and another, in which a lot of tea measured here, by bill of lading, 441*l.* freight, and in London gave 531*l.*

Mr. Hayes instanced the experience of tea shippers to America. There were from 25,000,000 to 30,000,000 lbs. shipped every year to the States, and every package was measured here. The measurement was made by means of callipers, which, probably, afforded the most accurate measurement in the world. The chests were then forced into the ship by such pressure, that a case was on record of a ship which had been compelled to put into the Cape in distress, and which had been unable to get anything like the same cargo on board again when reloading after repairs. This proved, therefore, that the shipowner could not complain, as the ship actually carried more freight by the bill of lading than was shown by her measurement. This result was so well known in America, that a practice had existed of measuring teas over again. People went to the captain, and offered to measure the teas over again, and share with him the surplus, which it was known would be found over the China measurement. This had now been put a stop to; but during the time it lasted had been a source of considerable emolument to measurers and to the captains. No mode of measurement made the measurement so small as that practised in China; it had been proved fair, and must apply equally well to the shipment of teas to England.

Mr. Johnson said it must, after all, remain optional with the shipper what practice he would adopt.

Mr. Lavers concurred; the Chamber could not compel a merchant to measure his teas here.

Mr. Purdon referred to a Resolution which had been brought forward at the last meeting, proposing to cancel the letter that had been signed by various firms, expressing an opinion in favour of measuring teas here. He thought it better not to do this. It was better to let it stand. It of course still remained optional what course should be followed, but it would be a bad thing to cancel the recommendation.

Mr. King said it must be optional with the ship, also, whether she would take tea freight measured here or in London.

The *Chairman* agreed that it must, of course, be optional; but an expression of opinion by the Chamber might have some weight.

Mr. King suggested that an expression of opinion might be recorded, that it was the practice of the port to adopt both courses.

The *Chairman* did not see how a thing could be recognized and not recognized in the same place.

Mr. Hogg thought it had been shown to be a great advantage to the shippers that teas should be measured here, instead of in England; and did not see why the Chamber should not express some opinion on the subject. He would propose:—

"That this meeting is of opinion that it will be advisable for members of this Chamber to engage freight on teas, stipulating that the measurements be made here, and the freight paid on that measurement."

Mr. Johnson would certainly refuse to be bound by such a Resolution; he did not think it was a question for the Chamber of Commerce to decide. Ships met with very hard usage at this port on the whole; they were subject to all sorts of local customs, and he was rather glad that they should get an advantage in this particnlar.

Mr. Hogg remarked that no cargo was so beautiful for a ship to carry as tea. It had been shown that it was to the advantage of shippers to pay freights on measurement here. One reason for an expression of opinion by the Chamber in this sense was, that it would go home, and people there, sending out orders to ship teas, would direct that the measurement should be taken in China.

Mr. Johnson asked whether the facts were indisputable.

Mr. Hogg said the Committee had been unable to find any on the other side.

Mr. Monro dissented, and instanced a letter addressed to the Chamber by his firm regarding teas they had shipped to America.

Mr. Bell also recalled some statistics that had been furnished by Messrs. Johnson and Co.

Mr. Purdon asked where was the objection to leaving the matter as it stood now; showing that the Chamber approved the principle of measuring here.

Mr. Hogg would at least press his Resolution, that it might remain on record.

Mr. Johnson proposed as an amendment:—

"That the Chamber is not in a position to express any decided opinion on the subject of the measurement of teas for freight."

This was seconded by Mr. ————, and carried by 5 to 4 votes.

The *Chairman* had to bring one more matter before the meeting, not so much as a matter of business as of information. He was very glad to be able to read the following letter which he had received from Mr. Dick, only an hour before the meeting:—

"Sir, "*Custom House, Shanghae, May* 7, 1869.

"The Harbour-master assures me that a telegraph line to the Kintoan lighthouse would be of much use in giving early intimation of the approach of vessels, and the occurrence of accidents to them. In January last the French mail-steamer, the British steamer 'Erl King,' and two sailing-vessels, were ashore at the same time near the mouth of the river. A single case sometimes happens in which speedy information would justify a year's working of the line. But if only for reporting the approach and departure of vessels, and keeping up speedy communication between the Harbour-master's office and the lighthouse, and the lightship at the mouth of the Yang-tsze, the line would probably be sufficiently useful.

"If the Chamber takes the same view of the project, the expression of its opinion, conveyed through the proper channel, would perhaps have some effect in obtaining the necessary permission from the Chinese Government, and I have no doubt that the line would be laid and worked by the Customs' and Harbour-master's Department. There is a wire now in the Custom-house which I obtained in July 1864, in the hope of being then able to lay it to Woo-sung.

"I have, &c.

(Signed) "T. Dick, *Commissioner of Customs.*

"F. Porter, Esq.,

"Chairman of the Shanghae General Chamber of Commerce."

There could, he thought, be no question as to what should be the terms of the reply to that letter. The Chamber would hail with satisfaction any step in this direction.

The *Chairman* next referred to the expenses of the Yang-tsze exploring expedition. These were very small, but as the ordinary funds of the Chamber were not large, and were not subscribed for payments of this nature, it had been thought that it would be well to circulate a list asking merchants to subscribe, either *pro ratâ* or a fixed sum, to defray them.

Mr. Johnson, before the meeting separated, wished to refer to some remarks that had lately fallen, in the course of a debate in the House of Lords, from the Duke of Somerset.

It was certainly not within the province of the Chamber to defend the missionary body; indeed, he was sure that missionaries, one and all, would repudiate the idea that they depended, for the success of their cause, on the support of any Government, or that they sought to promote the spread of their doctrines by the assistance of any temporal authority; but there could not be two opinions as to the absence of good feeling and good taste shown in the coarse and unjust attack made upon a body of earnest, self-denying, and exemplary men, who are labouring zealously for what they deem to be the cause of Christianity and truth. The Duke, however, in the course of his speech, had made some remarks of which he thought the Chamber ought to take some notice. He is reported to have stated, on the authority of naval and civil officers who had visited Shanghae, and most other seaport towns in Europe and Asia, which, he added, were not known to be very moral places, that there is no such sink of iniquity as Shanghae. Probably their bills would not be discounted at a per-centage the worse in consequence of what had been said about the immorality of the place; but he thought the statement coming from one who held a prominent place in society would cause great pain to many an anxious mother who had sent, or was about to send, her son to this part of the world. It was difficult to gauge the ideas of people about degrees of iniquity. Many persons differed as to what iniquity is, but, fortunately, the Duke has supplied us with a standard of comparison. He compared us unfavourably with any other seaport town in Europe or Asia, and we were able to rebut the injurious accusation by statistical facts. The records of the Police and Supreme Courts may be appealed to, to show that the number of offences against persons or property with which foreigners were charged was singularly small, and less, probably, than in any other place in the world of similar population, which was the resort of so large a class of seafaring men. He might refer to the Consular authorities to show that, in relation to the Chinese, the cases in which foreigners were charged with breaches of the Treaty, either as regards individuals or the Customs Regulations, were so few that they could scarcely be cited, unless to prove the general truth of what he was saying, by marking the particular exception to it. If he were to touch more delicate questions of morality, he would venture to say that the scenes which nightly disgrace every seaport, and most other towns in England, are impossible here; at all events, the universal exhibition of indecency on the stage, rebuked by Lord Chamberlain Sydney, would not be tolerated in Shanghae. He wished to propose the following Resolution:—

"That the Committee of this Chamber be requested to address a letter to the Duke of Somerset in denial of his allegation that the foreign community of this port, compared with that of any other seaport town in Europe and Asia, is a sink of iniquity, and requesting his authority for the statement; and that the letter be sent through the hands of the Chairman of the East India and China Associations."

The *Chairman* said, there could be no doubt the Duke of Somerset's remarks were entirely uncalled for; but it seemed doubtful whether it were a question for the Chamber of Commerce to take up. It was not quite a business matter, and was perhaps one which rather claimed the notice of the community generally.

Mr. Johnson said, the Chamber was the only really representative body here; the Municipal Council was hardly in a position to take the matter up.

Mr. King thought the Duke of Somerset's remarks referred to Shanghae as a commercial port, and the Chamber's action would therefore be appropriate.

Mr. Bell said the remarks referred to soldiers and sailors.

Mr. Johnson hardly thought so. Reference was specially made to the bad example shown by the residents, as a Christian community, to the Chinese; but even taking Shanghae as a seaport, he had the authority of the Chief Judge for saying that seafaring offences committed here were singularly few. The Duke of Somerset's remarks, he considered, affected our interests intimately, in connection with the revision of the Treaty, by showing the ideas entertained at home of our relations with the Chinese. The tone of a portion of the English press, with regard to the conduct of foreigners in China, had lately been disgraceful. They had expected the officials and the community not only to follow, but to anticipate the violent changes in public policy at home. This was specially shown in the Yang-chow case. Mr. Medhurst's proceedings there, which, two years ago, would have earned for him a decoration, had met with something very like a reprimand.

Mr. King seconded Mr. Johnson's Resolution. Taking the Duke of Somerset's statement in connection with the revision of the Treaty, the community might very naturally wish for a retractation, and it would be to their advantage to get it.

The *Chairman* asked whether a representation by the whole community, including the Judge and the Consul, would not be more efficacious than a protest by the Chamber only.

Mr. Johnson did not know how far the official members of the community might be inclined to speak out on the subject. He had taken this opportunity of bringing the matter up, knowing the difficulty of getting together a public meeting in Shanghae. It was a matter which affected all our relations with Europe. At every opportunity we had been studiously vilified.

The *Chairman* was only afraid a letter by the Chamber would not attract sufficient notice. Would Mr. Johnson leave the matter in the hands of the Committee; either to write themselves, or to invite the whole community to join in a general protest, as they might think more desirable?

Mr. Johnson agreed; and the meeting then broke up.

Inclosure 3 in No. 131.

Consul Medhurst to Sir R. Alcock.

Sir, *Shanghae, May* 18, 1869.

ADVERTING to my despatch dated the 10th May, in which I forwarded a published Minute of the proceedings of a meeting convened on the 7th instant for the purpose of discussing the contents of your Excellency's communication to me, dated 1st April, on the subject of transit dues, I have now the honour to submit copy of a letter which has been addressed to me by the Shanghae Chamber of Commerce communicating the terms of a Resolution which was passed at that meeting, and which deprecates any modification in existing Treaty provisions which shall render payment of 2½ per cent. on account of transit duty compulsory.

I have, &c.
(Signed) W. H. MEDHURST.

Inclosure 4 in No. 131.

The Secretary to the Shanghae General Chamber of Commerce to Consul Medhurst.

Sir, *Shanghae, May* 18, 1869.

RECOGNIZING the importance of deliberate consideration of the question of inland transit dues, again brought before this Chamber through the courtesy of his Excellency Sir Rutherford Alcock in his despatch dated 1st April, communicated to the Chamber with your favour of 17th ultimo, the Committee convened a general meeting of the members for the 7th instant, having given ample notice of the subjects of discussion, and drawing a special attention to Her Majesty's Minister's despatch, which was published previously in the local newspapers.

After having thus an opportunity of fully reconsidering their opinions on the subject, the members of the Chamber agreed at the meeting to the following Resolution, which I am instructed to hand you for the information of Sir Rutherford Alcock, to whom the Chamber desires also to offer its acknowledgments and thanks for the manner in which his Excellency has fully weighed and recorded the various schemes open for adoption.

Copy of Resolution.

"This meeting considers that the proposed modification of the Treaty as to transit dues, by which 2½ per cent. should be made payable at the ports of entry and cease to be optional, is the least satisfactory of all forms by which the levy could be collected, and contrary to the general interests of trade, and that it would only add by so much to the cost of taking goods into the interior, as local dues in some shape or other are sure to be super-added; and this meeting therefore adheres still to the views expressed in the Chamber of Commerce Memorial of October 1867, in regard to the best means of collecting transit dues."

I have, &c.
(Signed) WALTER PEARSON.

No. 132.

Consul Medhurst to the Earl of Clarendon.—(Received July 11.)

My Lord, *Shanghae, May 20, 1869.*

FOR your Lordship's information I have the honour to forward copy of my despatch dated the 18th instant to the address of his Excellency Rutherford Alcock, K.C.B., inclosing copy of a letter from the Bengal Chamber of Commerce to the Chamber of this place on the subject of Treaty revision.

Your, &c.
(Signed) W. H. MEDHURST.

Inclosure 1 in No. 132.

Consul Medhurst to Sir R. Alcock.

Sir, *Shanghae, May 18, 1869.*

I HAVE the honour to inclose herewith copy of a communication from the Bengal Chamber of Commerce to the Chamber of this place, which has been placed in my hands by the latter body for transmission to your Excellency. The letter is written in acknowledgment of a copy of a printed letter of the 1st February last, addressed by the Shanghae Chamber to myself in connection with the subject of Treaty revision, and a copy of which I have already submitted in my despatch dated 1st February 1869.

Your, &c.
(Signed) W. H. MEDHURST.

Inclosure 2 in No. 132.

The Secretary to the Bengal Chamber of Commerce to the Chairman of the Shanghae General Chamber of Commerce.

Sir, *Calcutta, April 17, 1869.*

THE Committee of the Bengal Chamber of Commerce are in possession of a printed copy of your letter of the 1st of February last to the address of Her Majesty's Consul at Shanghae, in which you submit, for the information of his Excellency, Sir Rutherford Alcock, the views entertained by your Chamber on certain points likely to be raised in the revision of the Treaty of Tien-tsin.

The opinions expressed on behalf of your commercial community have been regarded with much interest by the members of this Chamber, who trust that the initiative which you have taken in the matter of opening Treaty Ports on the Yang-tzse River will be followed by a large measure of success.

But that portion of your representation with which the Chamber is more especially concerned at this moment has reference to the establishment of commercial relations with the frontier town of Bathang. The opening of that inland mart would, they think, be a material advance towards the creation of a line of communication between India and China, at the same time bringing within the reach of European enterprise in China the various channels of Chinese industry—commercial and agricultural—which are at present closed to foreign trade. The principle outlet for that trade will probably always be found on your eastern seaboard; but it is believed that communication between the north-eastern frontier of Assam and the extreme point on the Yang-tsze would be attended with results satisfactory to ourselves, and advantages which the Chinese would not fail to appreciate.

The presence in Calcutta of Mr. J. T. Cooper, whose endeavours to reach Assam by the route through Western China are so familiar to your Chamber and the community of Shanghae, has been the occasion of public attention being directed to the practicability of his accomplishing the route from our own provinces to Chinese territory—from Sudya, in Assam, to Bathang, on the Yang-tsze. That is Mr. Cooper's object; it is an important and honourable enterprise; and to evince their appreciation of the exertions hitherto made by Mr. Cooper, and of his determination to persevere in the attempt to overcome all difficulties, this Chamber held a special meeting on the 17th of February, for the purpose of receiving from Mr. Cooper, personally, a narrative of his proceedings, and of ascertaining all available information in connection with his further undertaking. The meeting pledged itself to co-operate with Mr. Cooper in his further movements, and to support him in every

possible way; and, as an earnest of their cordial wishes for success, they have raised a subscription, amounting, at present, to 8,000 rupees, to enable Mr. Cooper to prosecute his travels and help him in accomplishing the object he has so much at heart.

If success attends Mr. Cooper's mission, it is impossible to calculate the extent to which our trade with the vast undeveloped districts of Western China may be carried; if defeated and disappointed in his expectations, Mr. Cooper's reputation will suffer no damage, and he will be no less entitled to the gratitude and admiration of the commercial community in the East for his disinterested labours in their behalf.

I am, &c.
(Signed) H. W. J. WOOD.

No. 133.

Sir F. Rogers to Mr. Hammond.—(Received July 24.)

Sir, *Downing Street, July 22, 1869.*

WITH reference to your letter of the 1st, and mine of the 16th March last, I am directed by Earl Granville to transmit to you, for the consideration of the Earl of Clarendon, a copy of a despatch from Sir R. MacDonnell, stating the objections entertained by himself and his Council to the appointment of a Chinese Consul at Hong Kong.

Lord Granville has informed Sir R. MacDonnell, in a despatch of which I inclose a copy, that these objections will receive consideration should the Chinese Government apply to Her Majesty's Government for such an appointment.

With reference to the 5th paragraph of Sir R. MacDonnell's despatch, it appears to Lord Granville unfortunate that Sir Rutherford Alcock should not have communicated to Sir R. MacDonnell the proposal which he was making to the Chinese authorities and the Foreign Office.

I am, &c.
(Signed) FREDERIC ROGERS.

Inclosure 1 in No. 133.

Governor Sir R. MacDonnell to Earl Granville.

My Lord, *Government House, Hong Kong, May 12, 1869.*

I HAVE the honour to acknowledge receipt of your Lordship's despatch, covering copy of a letter from the Foreign Office, transmitting a correspondence between Prince Kung and Sir R. Alcock, Her Majesty's Minister in China, from which it appears that Prince Kung had suggested the appointment by the Chinese Government of Officials to reside at Hong Kong for the express purpose of attending to the collection of duties in the interest of the (Chinese) "Customs revenue."

2. The Prince gives as a reason for this extraordinary request that the supposed facilities afforded by the formation of the neighbouring coast for smuggling were such that "vessels were constantly evading the payment of duties by taking a circuitous course, so as to avoid the barrier," *i.e.*, in the Canton River.

3. I need scarcely say that it might often be very convenient for a foreign country to save all expense attending the maintenance of a large revenue protective service by levying its Customs duties on goods before they had even left the place of export. This would summarily remove any apprehension of smuggling those goods subsequently. French Customs' officers established at London Bridge, and levying duties on goods before they were clear of the Thames, would represent exactly the sort of establishment which Prince Kung wished to form here.

4. Obviously, it was not in Sir Rutherford Alcock's power to hold out any hope of such a privilege being conceded, and it is greatly to be regretted that he did not confine himself to the statement of that indisputable fact. Prince Kung had very plainly given the reason why, in continuation, no doubt, of the Chinese Customs policy of harassing legitimate traders from this Colony, he wished to place a staff of Chinese officials here: viz., to collect here on British territory Chinese duties which, by international usage, can properly be leviable only at the port of arrival. If unable to effect that object, it does not seem that he cared for any other; and I am utterly at a loss to conceive what could have induced Sir Rutherford Alcock to go out of his way and suggest to Prince Kung the

expediency of obtaining the right to nominate a Consul at this port,—a matter which had no reference whatever to Prince Kung's original request.

5. I am not however surprised, owing to my former experience, that although no such right as that of appointing a Chinese Consul here had ever been claimed or conceded since the foundation of the Colony, and though the question was a novel one, intimately affecting the interests of this place, Her Majesty's Minister should have made the suggestion to Prince Kung, and should have transmitted it to the Foreign Office without the knowledge of this Government, and without affording me and my Council the opportunity of giving an opinion on the subject.

6. Nevertheless, I can easily understand that, under the circumstances, and in the absence of any apparent reason to the contrary, your Lordship should have treated it as a matter of course for China, as well as "any other Treaty Power," to have the right of appointing the Consul here, and that you should at once have "expressed your concurrence in Sir R. Alcock's opinion," &c.

7. On the 10th instant I laid your Lordship's despatch before my Executive Council, and I invited the unofficial members of the Legislative Council to assist, by their advice, as persons who represent some of the largest mercantile establishments in China, and whose local personal experience entitles their opinions on such a point to special weight.

8. I have now the honour to report that our unanimous judgment, arrived at unhesitatingly and without the least difference of opinion, is wholly opposed to authorizing, by any revision of the Treaty of Tien-tsin, or otherwise, the appointment of a Chinese Consul to reside at Hong Kong.

9. First, we found that no application had been made by the Chinese Government on the subject. The suggestion had been forced on Prince Kung, who, from all that appears, may be perfectly indifferent to it, or even be opposed to it; except so far as he may think that such an official could, if not openly yet actually, levy secretly the duties which he seeks to levy in Hong Kong.

10. Secondly, China is not in the same position as other Treaty Powers either to demand or expect such a concession, because all the diplomatic relations of China with the rest of the world are the result of special Treaty stipulations imposed by force of arms; whilst, on the other hand, China, unlike France or other Treaty Powers, has not thrown open her country to foreigners, nor admitted foreign commerce, except in a narrow and limited manner, disqualifying her thereby from expecting those rights which she withholds from others, especially while she also fails to take advantage of the Treaty provision which enables her to establish a resident Minister at St. James's.

11. Thirdly, although the above considerations dispose of any right or just expectation of China in the matter, we should have felt no objection to the concession if it were not certain to be attended with serious injury both to native and foreign interests here. A Consul for Hong Kong, whilst he ought to be useless for Prince Kung's object of collecting Chinese taxes, would certainly cause most serious alarm to all the native population, whose residence here has hitherto afforded them comparative immunity from the petty espionage and squeezing of their own mandarins.

12. Your Lordship has to remember that, whilst all the population here is in the immediate vicinity of the mainland, the great majority of the influential native residents own property, and have children and other near relatives residing there. The instances are numerous of Hong Kong native residents being compelled to pay from time to time large squeezes and exactions to the authorities at Canton, because a refusal to do so would lead to the seizure of their property in China, and to the imprisonment and even torture of their immediate relatives. In the last war with China, an order from Canton recalled almost all the Chinese and the servants in this place within twenty-four hours—so that the European residents had to clean their boots and cook their dinners themselves.

13. Of course, the further a colony might be from China, the less easy would be the espionage and influence which can be so directly and promptly brought to bear on residents of an island almost touching Chinese soil. Thus, at Singapore there would be less danger and inconvenience of increasing, by the appointment of a recognized Government official as Consul, the influence of the Cantonese or other Chinese authorities there. At the Mauritius, the risk would disappear altogether, or be unappreciable; but, with the full knowledge of the power exercised already by the officials and the guilds at Canton over nine-tenths of the residents here, who regard the Viceroy of their Two-Kwang as their ultimate chief whom they can be forced, sooner or later, to obey, it seems most unwise to permit an accredited official as spy and squeezer-general of the Chinese Government to take up his residence in our midst.

14. It is quite clear, at least, that the question is not one of easy solution. It is by no means a matter of course that China should appoint a Consul here. It is, on the contrary, a question to be weighed and determined by the special and exceptional circumstances of this very peculiar place, its very peculiar inhabitants, and most peculiar geographical position. All these considerations, in the opinion of those who are apparently well qualified to form a correct judgment, are decidedly opposed to the policy of Sir R. Alcock, as being unfair even to the native residents, who, if they could be polled, would no doubt, be found wholly averse to the suggestion; and, secondly, as dangerous to British interests, especially in times of trouble and impending hostilities,—a consideration to which recent intelligence from Peking gives unusual importance.

15. I am also not aware what functions such a Consul would exercise. Perhaps Sir R. Alcock contemplates limiting the intercourse of the Governor here with the Chinese Empire to representations made through a sub-official like the Consul, instead of through the British Consul to the Viceroy; a humiliation, in the eyes of the Chinese, which seems more injurious than beneficial to British interests.

16. Finally, I and my Consul felt that, in this matter, and looking to the peculiar circumstances of this place and its population, it was a plain duty to consider simply whether the proposed appointment would or would not advance British interests, seeing that there is no right to claim the privilege, which had never been urged by the Chinese authorities, and that the necessity for a Chinese Consul had never been experienced by either the foreign or native community.

17. I can only conceive such an officer being useful in one way, viz., to save the delay of reference to Canton, by at once backing warrants for the arrest of criminals, or other parties amenable to British law, who might have escaped to, or be lurking on, the mainland. Even in that respect a Consul would not be half so useful as the mandarin at Kowloon, who, despite the views of Sir Rutherford on the subject, is, *ex necessitate rei*, in almost daily correspondence with the Hong Kong police.

18. Altogether neither I nor my executive, nor the representatives of the commercial and general interests of Hong Kong in the Legislative Council, are able to see in what manner the legitimate interests of either Great Britain or China are to be benefited by adopting this most unnecessary and uncalled-for suggestion of Sir R. Alcock. We believe that such a creation of an *imperium in imperio* would produce alarm and dissatisfaction among Chinese residents here; and that, by unnecessarily pressing on the Chinese the adoption of such a measure, Her Majesty's Government would be taking the surest course to develop, during times of peace, the worst vices of Chinese rule in a population under British protection; and, on the other hand, in the event of approaching disturbances, or the cessation of friendly relations with Peking, we should be creating in our midst a dangerous centre for rebellion, plots, and hostile action. Therefore, at the request of my Council, I now respectfully submit the foregoing observations to your Lordship, hoping that whatever course may be adopted in any other colony, the exceptional circumstances and position of Hong Kong may at least exempt it from the inconvenience and risk which the residence there of a Chinese Consul would entail, and may lead to the indefinite adjournment of so very ill-timed a proposal.

I have, &c.
(Signed) RICHARD GRAVES MacDONNELL.

Inclosure 2 in No. 133.

Earl Granville to Governor Sir R. MacDonnell.

Sir, *Downing Street, July 17, 1869.*

I HAVE to acknowledge the receipt of your despatch of the 12th May, stating the objections entertained by yourself and your Executive Council to the appointment of a Chinese Consul at Hong Kong.

I have to acquaint you, in reply, that the statements which you now submit will receive consideration if the Chinese Government should apply to Her Majesty's Government for such appointment; but that, considering the fact stated in your despatch of the 22nd February, that of late the smugglers have armed themselves heavily, and go in fleets prepared to fight desperately, it would be very difficult for Her Majesty's Government to refuse to accede to any such application if made.

I have, &c.
(Signed) GRANVILLE.

No. 134.

Mr. Lefevre to Mr. Hammond.—(*Received July* 26.)

Office of Committee of Privy Council for Trade.
(Extract.) *July* 23, 1869.

THE Lords of this Committee have received representations from the Salt Chamber of Commerce, and others interested in the Cheshire salt trade, on the subject of the obstructions caused to the due development of this important national industry by the legislation of foreign countries, and calling especial attention to France and China.

With respect to China, the Northwich Chamber of Commerce transmits a copy of a letter which they addressed to the Earl of Clarendon on the 14th June last, containing a suggestion that some attempt may be made during the pending negotiations at Peking to obtain the permission of the Chinese Government for the importation into Shanghae of a limited number of cargoes of British salt, one cargo per month or twelve cargoes per year for the next five years, at the expiration of which time experience will have been gained of the effects of the measure, and some permanent system may be adopted.

My Lords have only to say, with reference to this suggestion, that it appears to them to be one which may properly be made to the Chinese Government by Sir R. Alcock without reopening the general question of Chinese legislation on salt, upon which, as stated in my Lords' letter of the 19th May, it appears useless under present circumstances to prolong discussion.

The importance, however, of obtaining access for British salt into the Chinese Empire is on many accounts so great, that my Lords think it most desirable that the limited proposal of the Salt Chamber should receive careful consideration.

No. 135.

Mr. Ffrench to the Earl of Clarendon.—(*Received July* 29.)

My Lord, *Madrid, July* 26, 1869.

WITH reference to your Lordship's despatch of May 29, desiring me to request that the Spanish Representative at Peking might be instructed to support Her Britannic Majesty's Minister in his negotiations for the improvement of the commercial relations with China, I have now the honour to transmit to your Lordship translation of a note which I have received from Señor Silvela, stating that orders have been sent to the Spanish Envoy at Peking in the sense desired by Her Majesty's Government.

I have, &c.
(Signed) PERCY FFRENCH.

Inclosure in No. 135.

Señor Silvela to Mr. Ffrench.

(Translation.)
Sir, *Madrid, July* 21, 1869.

I HAVE examined with due attention the communication of the Secretary of the Council of Commerce, relative to the line which the negotiations with the Chinese Government ought to follow, which you had the goodness to transmit to this office with your note of the 4th of last June, in which you requested that the Representative of Spain might support the negotiations which that of Great Britain was directed to set on foot, in conformity with bases set forth in that communication.

The steps which the Government of Her Britannic Majesty propose to take in order to obtain new advantages from the Celestial Empire, without entering for the present on the revision of the Treaty, appear worthy of imitation on our part on account of the favourable results which would accrue to the commerce of all nations (as well as the political convenience), from the Representatives of foreign Powers established at Peking appearing to be united, and following the same road for a common object. It is doubtless with this motive that the Government of Her Britannic Majesty is concerting the revision of their Treaty, in order that it may coincide with the period in which the others have to be revised, since if it were not for this consideration it would, perhaps, be more convenient to propose it before the Emperor attains his majority, seeing that, at present, Prince Kung, and the other members of the Tsung-li Yamên show some deference to strangers, and that

it is not known whether, when the young Emperor assumes the reins of Government, he will surround himself with persons hostile to them, and this would render difficult the attainment of certain concessions which, if made beforehand, would have to be respected afterwards.

In consequence of this I have the honour to inform you that, under this date, I have given the necessary instructions to the Minister Plenipotentiary of Spain in Peking to co-operate efficaciously for the attainment of those ends which the British Government propose pursuing for the benefit of commerce, whilst more ample concessions are obtained by means of a revision of the Treaties.

I avail, &c.
(Signed) MANUEL SILVELA.

No. 136.

The Earl of Clarendon to Sir R. Alcock.

Sir, *Foreign Office, July* 30, 1869.

WITH reference to my despatch of the 2nd instant, I transmit to you herewith, for your information, a copy of a despatch from Her Majesty's Chargé d'Affaires at Madrid, and its inclosures,* respecting the Treaty revision negotiations.

I am, &c.
(Signed) CLARENDON.

No. 137.

The Earl of Clarendon to Mr. Ffrench.

Sir, *Foreign Office, July* 30, 1869.

IN reply to your despatch of the 26th instant, I have to instruct you to express suitably to Señor Silvela the satisfaction with which Her Majesty's Government have learned that orders have been sent to the Spanish Minister at Peking to support Her Majesty's Minister in his negotiations for the improvement of the commercial relations with China.

I am, &c.
(Signed) CLARENDON.

No. 138.

Sir R. Alcock to the Earl of Clarendon.—(Received August 2.)

(Extract.) *Peking, May* 20, 1869.

THREE Ministers of the Foreign Board paid me a visit yesterday, during which we had a long conversation on various subjects connected with the revision of Treaties, the present state of affairs, and the existing relations between China and Foreign States.

I arrived at the conviction during this interview, as in the last, which took place here under similar circumstances (reported in my despatch of the 12th of March last), that the subject which most preoccupied them, as of primary importance, was the residence of missionaries inland, and especially the location of the Roman Catholic missions under a French protectorate.

Other questions there were, only second to this perhaps, and frequent indications were given of their presence in the minds of the Chinese speakers; but the more earnest consideration suggested by the missionary troubles pressed them back until we had nearly exhausted all that could be said on these. During the conversation I was asked more than once, whether in view of all the constant danger of popular outbreaks inseparable from residence inland, Her Majesty's Government would not be willing to limit the operations of our own missionaries to the ports. I replied that the British Government were fully aware of the disadvantage attending the residence and preaching of missionaries in the interior, and desirous of removing any just cause of complaint on this head. Nevertheless it would be difficult, while the missions of other nationalities were freely enjoying the

* No. 135.

privileges of inland residence, to establish a different and more restricted rule for the British. Moreover, such a step could have very little effect in abating the evil while the Roman Catholic Missions remained with unrestricted privileges, and scattered over all the eighteen provinces, under French protection.

The Ministers admitted that any measures would be defective that did not include the Roman Catholic Missions. Nevertheless, as a beginning, they conceived it would very materially assist the Chinese Government if, on the revision of the British Treaty, the first in order of time, such a restrictive clause were introduced. It would strengthen their hands, they believed, when the revision of the French Treaty should come under consideration in 1871. It was added that the objection was not to the religion, which sought only what was good, but to the political results attaching to the propagation of Christianity in this country. The people were naturally hostile to any religion destructive to the faith in which they had been brought up; and heard with indignation its teachers reviled, and all the doctrines in which they and their fathers for a thousand years had placed implicit trust and regarded as sacred, denounced as essentially bad and false. As the Christian religion was preached in China, it was an attack on all existing institutions, and subversive of the established relations of rulers and people. Of course such preaching produced popular tumults and hostility; nor could it be looked upon with a very favourable eye by the authorities, if only as a perpetual source of trouble tending to breaches of the peace. Some of the ground gone over in our last interview, as to the political bearing of the Roman missionary operations, was again adverted to; and the Minister finally closed his argument by asking what would be the consequences if they sent a party of Bonzes to convert the British people to Buddhism and denounce Christianity throughout Great Britain. Would they not stir up popular tumults, and be themselves arrested, and their preaching put a stop to by the authorities as incompatible with the maintenance of order? And yet, had the Chinese not the same right to preach their own religion in Great Britain as any foreign Power to preach theirs in China?

It was impossible to make any satisfactory reply to the last argument, because to say that we insisted on preaching the Christian creed because we believed it was true, and denouncing Buddhism and every other form of religion because we believed it to be false and injurious, applied quite as well to the one side as to the other. I simply said, I doubted whether any limitation consented to on our part alone would avail them much in dealing with the privileges claimed under the French Treaty. But, I added, the subject was of sufficient importance to demand careful consideration with a view to meet the more serious difficulties of the question.

The motive of the French Government for the interest it manifested in these missions, and the protectorate it claimed, and with so much persistence and warmth asserted on all occasions, seemed rather to puzzle them. I pointed out, by way of explanation, in answer to some questions, the connection between the support given to the Pope as the head of the Roman Church in Europe and these Romish Missions abroad, and the moral and polilitical influence supposed to result from standing forth as the defender and protector of the Church, which was itself a great power in Europe. The Roman Catholic populations all over the world paid great respect to the Pope as their spiritual head; and France, having no large commerce or material interests in the East, had elected, apparently, to create a position and influence, both in Europe and in these regions, by virtue of a self-imposed protectorate of all Roman Catholic missionaries. And for these reasons, among many others, it seemed little likely, I thought, that the French Government would consent to abandon their present policy.

The Ministers seemed to see this only too clearly for their own peace; and one groaned, in a characteristic way, a very discontented assent to my conclusion, another, however, after a pause, intimated a conviction, or it might be only a hope, that France might herself ere long be so embroiled in Europe as to have little leisure or power to dictate the law to other countries so far distant as China.

I advert to this casual remark, as showing how much it has become the practice for Chinese Rulers to carry their observation beyond the limits of their own Empire, and form a judgment of possible eventualities or future combinations among foreign Powers, as bearing upon their policy in Chinese affairs. Indeed, the last arguments of one of the Ministers were so exactly the counterpart of some that have appeared in the English newspaper respecting the Yang-chow affair, and since generally circulated in the local prints, as to the equal rights of Chinese to preach Buddhism in England, and its probable results, that it is difficult to believe the idea of the Chinese Minister may not have come from that source. All the more effective as an argument, no doubt, since the same papers contain accounts of dangerous riots, requiring the military to quell them, in North Shields and elsewhere, created by Mr. Murphy's denunciations and intemperate preaching against

against Romanism, exciting to madness the hostile feelings of Protestants and Romanists in the same localities. This, too, in a Christian country, and among populations professing the same faith, with only sectarian differences.

Further trouble is reported as the scene of the late outbreak in the upper valley of the Yang-tsze near Chung-king, when a French missionary and many converts were killed. A religious war seems to have broken out, in which it is said the Christian converts are, this time at least, the assailants, and whole villages are involved in mutual attempts at extermination.

From missionary troubles and dangers, the conversation diverged to the hostile animus which was so constantly manifested by the literati and all the official class against foreigners generally, irrespective of religious questions. The Ministers disputed the existence of the feeling at first, and were disposed to attribute all outbreaks of popular violence or hostility entirely to the people. Alluding to the more recent instances of hostile manifestations at Yang-chow, Chinkiang, Foo-chow, and Taïwan, I pointed out how clearly the evidence showed these acts of ill-will and bad feeling were not spontaneous on the part of the populations, but proceeded from the literati, and often from the local authorities in combination with them. These had originated with the former, I was convinced; and the troubles which had ensued all came from above, from the educated and official classes, in the first instance, and not from below, where there might be some excuse in the ignorance of the mob.

In the end, Wên-seang shifted his ground; and, after first maintaining the innocence of the party accused, he admitted that there might be some of the literati who were imbued with a hostile feeling; but, he asked, how could it be otherwise? and proceeded to put in a plea of justification. They had often seen foreigners making war on the country; and then, again, how irreparable and continuous was the injury which they saw inflicted upon the whole Empire by the foreign importation of opium. If England would consent to interdict this—cease either to grow it in India, or to allow their ships to bring it to China—there might be some hope of more friendly feelings. No doubt there was a very strong feeling entertained by all the literati and gentry as to the frightful evils attending the smoking of opium, its thoroughly demoralizing effects, and the utter ruin brought upon all who once gave way to the vice. They believed the extension of this pernicious habit was mainly due to the alacrity with which foreigners supplied the poison for their own profit, perfectly regardless of the irreparable injury inflicted, and naturally they felt hostile to all concerned in such a traffic.

I only observed, in reply to the general tenor of these remarks, that it was quite possible opium-smokers might deserve all the evil things said of them, and that the drug was a narcotic demoralizing all who were addicted to its use; although I had received a Memorial from Messrs. Jardine and Matheson loudly proclaiming its innocuousness, and ranking it with wine and other wholesale stimulants and restoratives. But, as regarded the remedy proposed, I could not see of what avail it would be. If Great Britain were at once to allow it to be treated as contraband, and its importation prohibited, China was in no position to prevent its being smuggled in any quantity, even by her own subjects, much less by foreigners; and even if India ceased to grow it, there were many other tropical countries which could, and would produce it without limit, while ships under other flags would never be wanting to bring it to the Chinese coast. So long as a demand existed there would be a supply to meet it. The only result of introducing such a clause into the revised Treaty would be to transfer a large and lucrative trade to other hands. Great Britain might lose a large revenue and her subjects an important trade, but China would be just where she was. A great sacrifice would be imposed on the one country without the slightest benefit to the other. China herself would probably suffer from a larger quantity of the poppy being cultivated in place of rice and other staples of food within her own limits. The only effective remedy lay with the Chinese people. Let them cease to crave for it or consume it, and the drug would very soon disappear from the market. The remedy did not lie with any foreign Power, and I doubted how far it was possible, in any country, to make people virtuous by legal enactments or prohibitory laws.

It was replied that, if England ceased to protect the trade it could then be effectually prohibited by the Emperor, and it would eventually cease to trouble them, while a great cause of hostility and distrust in the minds of the people would be removed, and thus compensation might be found to Great Britain for a temporary loss; temporary only, since the same fields now devoted to the cultivation of the poppy could be made to grow rice or cotton or other profitable products.

With this irreconcileable difference of opinion as to the efficacy of remedial measures, there was little to be gained by continuing the discussion, and we passed on to other subjects. This is the first time any serious proposition has been made to reconsider

the step taken in the Treaty of Tien-tsin removing opium from the list of prohibited articles.

I then communicated to them the opinions elicited from the Chamber of Commerce at Shanghae, which were decidedly adverse to the proposition under discussion last year with the Yamên for reforming the abuses of the system in force for the levying of transit dues. The Chamber still contended for their original proposition to make all transit dues payable at the place of consumption or production only, and to go into the provincial Treasuries, and thus give these a direct interest in the development of foreign trade.

It was replied that they were mistaken in supposing that the provincial administrations were deprived of such interest or were really losers by the existing arrangements. They already received six-tenths of all the inland dues levied at the ports, and the share of the whole foreign Customs, formerly appropriated to the payment of the indemnities of Great Britain and France, or three-tenths. The result was to give a large contribution to the provincial revenue than any transit due of $2\frac{1}{2}$ per cent. on foreign trade in the interior would afford.

Some new ground was broken in reference to the introduction, by local authorities, of short lines of railroad, or telegraphic wires, in their respective districts, by a question. I asked whether, if any Taoutae or other provincial authority saw it would be feasible and in the interest of his locality, he would be held censurable by the Central Government if he gave his consent and took the initiative, as in any other matter he might legitimately do within the limits of his jurisdiction? And I referred to the desire on the part of the merchants for a telegraphic line from Shanghae to the Light-ship in the Yang-tsze, as a means of transmitting notice of ships in danger. I had in view also a consent of a very conditional kind for a short line of railroad obtained recently by Mr. Alabaster from the Taoutae at Swatow, to connect it, as the outer port, with Chao-chow-foo, although I did not specify this, fearing to bring the Taoutae prematurely to account for his action with the higher authorities, and rather distrusting the expediency of attempting that particular line.

The result was more a guarded assent than a free and unqualified admission that the local authorities were at perfect liberty to initiate such great innovations on their own responsibility. Nevertheless, one of the Ministers did sufficiently clearly declare that, provided it was done with the consent of the local population,—in other words, that no protest or tumult resulted on the ground of Fengshuy or local interests and prejudices,—in that case the Tsungli Yamên would take no action to condemn or otherwise impede the local authority from pursuing his object.

It is only by such tentative steps, on the circumference rather than at the centre, and the initiative, with all its responsibility, being taken by local or provincial authorities, that there is any present prospect of a beginning being made in this direction. There seems to be a small opening at this moment both for railroads and telegraphs at the points named, and if a beginning only can once be made, no matter how trifling the immediate gain, or how remote the points selected, the rest will follow almost as a certainty. Such a course of action is happily in accordance with the whole theory of Imperial Government. The administration of each province is left almost uncontrolled in the disposal of funds, and the adoption of measures for the development of material improvements or means of transit, the maintenance of roads, measures of security, &c. They have but one serious responsibility, that of success. The maintenance of peace within their borders, and suppression of all causes of trouble or disturbance, is the first condition of the success required; the transmission of the Imperial tribute from the taxes, the second. For the rest, the Viceroys and their whole administration, with all its machinery and instruments, have pretty nearly *carte blanche* as to ways and means. Hence it has been possible for these same Viceroys to create a great arsenal for the manufacture of foreign arms at Nanking and Soo-chow, with the nucleus of a drilled force and a permanent camp; and a still larger and more expensive arsenal and dock at Foo-chow, for which contracts and heavy engagements were entered into with two French officers, without any direct intervention or sanction, I believe, of the Central Government.

Before breaking up, I was asked when I expected instructions for the revision, and I replied I thought they might reach me some two months hence. It was presumed I would not leave China until the negotiation was concluded; and I replied that in any case I hoped to leave Peking in October next, and had applied for leave to absent myself at that date. I trusted, nevertheless, that anything it might be possible for me to do might be concluded within that time.

The conversation, which lasted more than two hours, was carried on in the most amicable spirit on both sides; and I have not attempted to give even a précis of all that passed, but contented myself with selecting the more salient points having a permanent interest.

I find, indeed, that I have omitted to refer to a little episode touching Mr. Burlingame's negotiations, and the assurances given by the United States' and British Governments respectively, of absolute non-intervention in the internal affairs of China, and of the determination to treat with the Central Gevernment alone for the redress of all local grievances.

When they were pressing me on the opium question, I observed that, what they wanted more than restrictions on missionary operations, or prohibitions on the foreign trade in opium, was perfect independence in the choice of foreigners for their service, and then, through such foreign agencies as they saw fit to employ, to develop the material resources of the Empire and reform their fiscal and military administrations. Only then would they be enabled to deal effectively with the other two questions. I had always been earnest in my conviction that they should be let alone so far as their choice of Agents was concerned, and left wholly unfettered by any interference of foreign Powers, as completely as Russia had always been, as to the employment of foreigners, and this irrespective of nationality; but, as regarded the reforms alluded to, and material progress, some were so essential to the faithful execution of Treaties that I looked upon all revision as of little avail without such conditions as a basis. Whoever desired, therefore, to see Treaties observed, and the Chinese Government in a position to keep faith by their execution, must unavoidably press for the adoption of the only means calculated to ensure the end. As to the settlement of local grievances by reference to the Central Power, this was no more than a reiteration of the policy and instructions which had governed the British Representatives ever since the signature of the Treaty of Tien-tsin. At the same time it would be a mistake to suppose that a faithful adherence to the spirit of such instructions precluded the adoption of measures on the spot when it became manifest that, from the complicity or supineness of the local authorities, irreparable mischief might ensue to life, commercial interests and property, before any reference to Peking could take effect. It behoved the local authorities, therefore, to take heed that matters within their jurisdiction were never brought to such a pass by any fault of theirs, and I trusted they would be so instructed.

The Ministers acquiesced in the general bearing of my remarks, and said they had, like myself, occasionally some difficulty in making those at a distance understand how essential it was to avert all causes of difference or conflict at the ports. Instructions in the sense I desired had, however, been sent; and the Yamên never ceased impressing upon the Provincial authorities the obligations they were under to observe the Treaties and maintain peace.

No. 139.

Mr. Otway to Sir L. Mallet.

Sir, *Foreign Office, August 2, 1869.*

WITH reference to your letter of the 23rd ultimo, I am directed by the Earl of Clarendon to request that you will state to the Lords of Trade that, as their Lordships will see from the inclosed copy of the reply returned to the Memorial of the Northwich Chamber of Commerce,* instructions have already been sent to Sir R. Alcock to urge the Chinese Government to permit the importation of a limited number of cargoes of salt, though his Lordship fears that the application will be useless.

I am, &c.

(Signed) ARTHUR OTWAY.

No. 140.

Mr. Trevor to Mr. Otway.—(Received August 3.)

Office of Committee of Privy Council for Trade,

Sir, *July 31, 1869.*

WITH reference to your letter of the 1st July, I am directed by the Lords of the Committee of Privy Council for Trade to transmit to you, to be laid before the Earl of Clarendon, the inclosed copy of a Report from the Commissioners of Customs on the question of the operation of the XXXVIIIth Article of the Treaty of Tien-tsin, and I am to request that you will suggest to his Lordship that a copy may be sent to Sir R. Alcock for his information.

* No. 123.

I am at the same time to state that it appears to my Lords that the course which Her Majesty's Minister proposes to take in this matter may be approved of by Her Majesty's Government.

I have, &c.
(Signed) C. CECIL TREVOR.

Inclosure in No. 140.

Report of the Commissioners of Customs.

To the Lords of the Committee of Privy Council for Trade.

SIR LOUIS MALLET having transmitted in his letter of the 9th instant the inclosed despatch and its inclosures from Her Majesty's Minister in China, which your Lordships had received from the Secretary of State for Foreign Affairs, with reference to the operation of Article XXXVIII of the Treaty of Tien-tsin, and Sir Louis Mallet having signified the request of your Lordships to be favoured with the opinion of this Board on the subject,

We report—

That it appears from the annexed despatch and its inclosures from Sir Rutherford Alcock, that under Article XXXVIII of the Treaty of Tien-tsin, the master of a vessel is liable to a fine of 500 taels, equivalent to 150*l.* sterling, on account of a false manifest of his cargo, or for discharging goods without a permit; and that in the latter case the merchant or owner of the goods is liable to the confiscation of his property.

It is not stated in the annexed papers whether the lorchas or vessels referred to are engaged in a trade of the nature of the coasting trade of this country; but assuming that they are so engaged, we beg to state that under the provisions of the law applicable to the coasting trade of the United Kingdom, 16 and 17 Vict., cap. 107 sections 151 to 158, the master of every coasting ship is required to keep a cargo-book, stating the name of the ship, the master, and the port to which she belongs, and the port to which she is bound on each voyage. The master is further required, at every port of landing, to enter an account of all goods taken on board, stating the description of the packages, and the quantities and descriptions of the goods therein; and on arrival at every port of discharge, the master is to produce such cargo-book for the inspection of the officer of Customs; and if, upon examination, any package entered in the cargo-book as containing foreign goods shall not be found to contain such goods, the package with its contents shall be forfeited; and if any package shall be found to contain foreign goods not entered in such book, such goods shall be forfeited; and if the master shall fail to keep such cargo-book correctly, or to produce the same when required, or if there shall be found on board such ship any goods not entered in such book, the master of such ship shall forfeit the sum of 20*l.*

It is also provided that before any coasting ship shall depart from the port of landing, an account in duplicate of the goods laden on board, with the other particulars required by the 156th section of the Act, signed by the master, shall be delivered to the Collector or Controller of Customs, who are to retain the duplicate, and return the original document to the master, duly signed and dated; and such account is to be the clearance of the ship for the voyage, and the transire or pass for the goods expressed therein; and if any such account be false, the master shall forfeit the sum of 20*l.*

It is further required by the 157th section of the above-named Act that before any goods brought coastwise are unladen, the transire for the goods be delivered to the Collector of Customs; and if any goods be unladen previously to the delivery of such transire, such goods are liable to forfeiture, and the master of the vessel to a penalty of 20*l.* And by the 158th section of the above-mentioned Act, it is provided that any officer of Customs may go on board any coasting-ship, in any port or place in the United Kingdom, and examine all goods on board, and demand all documents that ought to be on board; and the master of any ship refusing to produce such documents on demand, or to bring the same to the Collector or Controller when required, shall forfeit the sum of 20*l.*

Although goods laden on board vessels for conveyance coastwise from one part of the United Kingdom to another part of the United Kingdom become forfeited to the Crown, and the master of the vessel becomes liable to a penalty of 20*l.* on account of the irregularities set forth in the aforegoing provisions of the law, it is not the practice of this Department either to confiscate the goods, or to enforce payment of the full penalty by the master.

The irregularities committed by masters of coasting vessels generally arise from ignorance of the provisions of the law having reference to a neglect to insert the particulars

of the goods laden on board at the place of departure in the transire, or to landing goods without the delivery of the transire in the first instance to the officer of Customs at the place of arrival and discharge of the cargo.

In these cases the goods are invariably released on payment of a small fine of 10*s.* or 20*s.* by the master, in order to mark the irregularity of the transaction.

As regards any breach of the law which may be found to have arisen with respect to any vessel arriving in this country from foreign parts—such as a false report on the part of the master, or the landing of goods without due authority from the officers of Customs, we beg to state that, by the 51st Section of the "Customs Consolidation Act, 1853," before referred to, it is provided that if the master shall wilfully fail to make a report (within twenty-four hours after arrival) according to the particulars therein referred to, as far as the same may be applicable to such ship, cargo, and voyage, or, if the particulars in such report be false, such master shall forfeit the sum of 100*l.*, and by the 53rd Section it is provided that if, on the arrival of any ship within four leagues of the coast of the United Kingdom, bulk shall be broken, or any alteration made in the stowage of the cargo of such ship, so as to facilitate the unlading of any part of such cargo, or if any part be staved, destroyed, or thrown overboard, or any package be opened, unless accounted for to the satisfaction of the Commissioners of Customs, the master shall forfeit in every case the sum of 100*l.*, and under the provisions of the 69th Section of the same Act, any goods which may be taken out of any ship and landed, without due entry, become forfeited.

Cases, however, seldom arise in which we have felt it necessary to enforce forfeitures of the goods under the aforegoing provisions of the law, or the full amount of penalty against the master for informalities in the report of the cargo brought in his vessel, but when great neglect and carelessness are evinced, a small fine is imposed as a condition to the report or entry being allowed to be amended.

We would take leave to observe that as we are unacquainted with the peculiar character of the foreign trade to China, and the manner in which it is carried on, we hesitate to offer an opinion that the practice observed by this Board would, in all respects, be applicable to China. We may, however, remark that the imposition of penalties by law beyond the means and ability of a delinquent to discharge, has a tendency to weaken rather than to sustain the regulations of commercial law; and we think that the Chinese Government would find it to be desirable that the amount of the penalty imposed in China should be reduced, and that power should likewise be given to the authorities for mitigating any penalties which may be imposed.

(Signed) THOS. F. FREMANTLE.
N. W. GREY.

Custom-House, July 24, 1869.

No. 141.

The Earl of Clarendon to Sir R. Alcock.

Sir, *Foreign Office, August* 4, 1869.

WITH reference to the question of the appointment of a Chinese Consul to reside in Hong Kong, referred to in your despatch of the 14th of December, I have to state to you that you properly informed Prince Kung that such an officer could not be allowed to act in aid of the collection of Chinese duties, which seems to have been the object for which the appointment was to be made.

It may be doubtful, indeed, whether the residence of a Chinese Consul in the Colony, even if his duties were limited to those ordinarily devolving on Consular officers in Her Majesty's dominions, would not lead to difficulty; and Her Majesty's Government are glad, therefore, that, while not absolutely discouraging the idea of the eventual appointment of a Chinese Consul, you intimated that the question must be reserved for consideration when the Treaty is formally revised; and if Prince Kung should revert to the subject, you will abide by that answer.

I am, &c.
(Signed) CLARENDON.

No. 142.

The Earl of Clarendon to Sir R. Alcock.

Sir, *Foreign Office, August* 4, 1869.

I HAVE had under my consideration, in communication with the Board of Trade, your despatch of the 14th of April, and its inclosure, respecting the modification of the XXXVIIIth Article of the Treaty of Tien-tsin; and I now inclose for your information, a copy of a Report which has been drawn up by the Commissioners of Customs on this subject.*

I have to add that the course which you propose to take in the matter is entirely approved.

I am, &c.
(Signed) CLARENDON.

No 143.

Mr. Otway to Sir F. Rogers.

Sir, *Foreign Office, August* 4. 1869.

WITH reference to your letter of the 22nd ultimo, I am directed by the Earl of Clarendon to transmit to you, to be laid before Earl Granville, the accompanying copy of a despatch which his Lordship has addressed to Sir R. Alcock respecting the question of the appointment of a Chinese Consul to reside at Hong Kong.†

I am, &c.
(Signed) ARTHUR OTWAY.

No. 144.

Mr. Lumley to the Earl of Clarendon.—(Received August 9.)

My Lord, *Brussels, August* 8, 1869.

IN compliance with the instructions contained in your Lordship's despatch of the 26th of May last, I duly transmitted to the Belgian Government, in the note of which now I have the honour to to inclose a copy, a copy of an extract of a letter from the Board of Trade, reviewing the whole course of the negotiations which have lately taken place between Her Majesty's Government and that of the Emperor of China, for the improvement of our commercial relations with China, and suggesting what should be done to turn them to good account.

I have now the honour to inclose herewith to your Lordship copy of a note from M. Vanderstichelen, in which his Excellency sets forth the views of the Belgian Government with regard to foreign policy in China, and begs me to thank your Lordship for having so kindly communicated to the Belgian Government the views of Her Majesty's Government on that important subject.

I have, &c.
(Signed) J. SAVILE LUMLEY.

Inclosure 1 in No. 144.

Mr. Lumley to M. Vanderstichelen.

M. le Ministre, *Brussels, May* 27, 1869.

THE Government of His Majesty the King of the Belgians will doubtless have received from their Representative at Peking a full Report of the negotiation in which Her Majesty's Minister has been for a long time engaged with the Chinese Government with a view to the improvement of commercial relations with China; and it will naturally be desirous of learning the view taken by Her Majesty's Government of these negotiations, and the instructions which have been sent to Her Majesty's Minister on the subject.

I am accordingly directed by Her Majesty's Principal Secretary of State for Foreign Affairs to transmit to your Excellency, for the information of His Majesty's Government,

* Inclosure in No. 140. † No. 14.

duplicate copies of an extract of a letter from the Board of Trade, reviewing the whole course of the past negotiations, and suggesting what should be done to turn them to account.

This paper, M. le Ministre, has been sent to Sir R. Alcock, Her Majesty's Minister in China, to serve as the guide of his future intercourse with the Chinese Government; and, in communicating it to your Excellency, I am desired by Her Majesty's Government to request that the Belgian Representatives at Peking may be instructed to render Her Majesty's Minister any assistance that may be in his power for the success of his future negotiations.

Her Majesty's Government will make a similar communication to each of the Powers having Treaties with China.

I avail, &c.
(Signed) J. SAVILE LUMLEY.

Inclosure 2 in No. 144.

M. Vanderstichelen to Mr. Lumley.

M. le Ministre, *Bruxelles, le* 3 *Août*, 1869.

VOUS avez bien voulu me communiquer un extrait d'un Rapport du Board of Trade relatif aux négociations jusqu'ici suivies avec la Chine et traitant des moyens à adopter pour les mener à bien.

Votre Excellence m'a informé en même temps que ce travail a été envoyé au Ministre de Sa Majesté Britannique à Péking pour lui servir de guide dans ses rapports avec le Gouvernement Chinois, et elle a exprimé le désir que l'Envoyé Belge en Chine fût invité à prêter à Sir R. Alcock toute l'aide en son pouvoir pour assurer le succès des futures négociations.

Nous nous souvenons trop bien de l'obligeance dont les Agents de Sa Majesté Britannique ont fait preuve lorsqu'il s'agissait d'arrêter nos propres arrangements avec la Chine, et le Roi ainsi que son Gouvernement attachent trop de prix au développement des relations avec l'Extrême Orient pour ne pas nous associer de grand cœur et selon nos moyens à tous les efforts tentés pour assurer le succès d'un œuvre qui intéresse toutes les nations.

Au jugement de Board of Trade, pour procéder au renouvellement des Traités avec la Chine, on peut choisir entre deux politiques.

D'après l'une on ne se bornerait pas à maintenir les engagements existants; on exigerait de nouvelles et importantes concessions, des concessions propres à réaliser largement ce qu'on appelle l'ouverture de la Chine au commerce étranger et à la civilisation occidentale.

Dans l'autre combinaison, les négociations auraient seulement pour objet de confirmer les droits conventionnels nécessaires à l'accroissement gradué du négoce étranger, de corriger certaines pratiques de l'Administration Chinoise à l'égard du commerce, et enfin de sanctionner en les acceptant quelques concessions que le Gouvernement Impérial serait disposé à faire volontairement.

Le Board of Trade ne croit pas devoir recommander l'adoption du premier de ces programmes: on ne pourrait, d'après lui, l'exécuter que par la force.

C'est au second qu'il accorde la préférence. L'idée générale dont ce dernier système paraît s'inspirer, c'est qu'en prétendant imposer les progrès de toute nature à la Chine, on a moins de chances de les voir s'implanter chez elle, et surtout de s'y maintenir, qu'en les attendant de l'action spontanée du Gouvernement et du peuple Chinois et de la modération des nations étrangères.

Nous admettons volontiers, M. le Ministre, qu'une politique amiable est la meilleure pour faire entrer la Chine dans la voie des réformes, et si j'ajoute ici quelques réflexions, c'est pour témoigner du désir qui anime le Roi et son Gouvernement d'élargir autant que possible l'application de ce principe et de lui faire porter tous ces fruits.

La Chine, avec son vaste territoire, sa population innombrable, une organisation sociale qui a traversé une longue série de siècles, forme comme un monde à part dont les idées étrangères ont à peine entamé la surface. Il n'est pas surprenant que, pour pénétrer dans un tel milieu, tout progrès venant du dehors rencontre de sérieux obstacles. Mais si la force doit être écartée pour lever les difficultés, je suis certain d'un autre côté qu'il n'est pas dans les vues des Puissances amies de la Chine d'énerver l'esprit d'entreprise chez le Gouvernement et dans toutes les classes de ce pays.

En Chine plus encore que partout ailleurs les transformations ont à lutter contre les

habitudes, les préjugés, les intérêts engagés en sens contraire. Peut-être ces résistances se fortifieraient-elles ou du moins se prolongeraient-elles, et le but des Gouvernements étrangers courrait-il ainsi le risque d'être dépassé si, en renonçant aux moyens coercitifs et en s'abstenant de faire de la construction des chemins de fer ou de l'exploitation des mines, par exemple, une prescription impérative des Traités, on laissait s'accréditer en Chine et hors de la Chine l'opinion que ces utiles projets ont perdu de leur valeur, qu'il n'y a plus lieu de s'en occuper pour le moment, et qu'on abandonne désormais au temps seul le soin d'en poursuivre la réalisation.

Le Board of Trade, dans la pensée, je présume, qu'il serait bon à faciliter à ce point de vue l'éducation du peuple Chinois, a donné son approbation à l'idée d'obtenir la permission de construire des chemins de fer et des télégraphes dans quelques districts particuliers, dans des limites et sous des conditions strictement déterminées et connues des expériences émanant de l'initiative Chinoise.

Dans le même ordre de faits, tout ce qui tendrait à éclairer les autorités et les populations de la Chine ne pourrait produire que d'utiles effets, et il est permis de croire que cette espèce de propagande morale exercerait une influence non douteuse si elle était pratiquée d'un commun accord par tous les Gouvernements désireux de propager dans cet Empire lointain les grands vérités économiques indispensables pour lui rendre la cohésion et la vie.

Les rivalités étrangères ont parfois nui aux progrès de la civilisation en fournissant à l'immobilisme oriental un prétexte pour refuser à toutes les nations ce qui ne pouvait sans danger s'accorder à une seule.

Peut-etre paraîtra-t-il opportun d'examiner s'il ne serait pas possible de constituer une sorte de ligue composée de délégués des nations les plus avancées en Europe et en Amérique qui se réuniraient dans un point central et qui discuteraient et co-ordonneraient les moyens les plus propres de préparer et de seconder l'introduction pacifique dans l'Extrême Orient de ces procédés de l'industrie et de la civilisation qui sont des bienfaits pour l'humanité et l'honneur de notre temps.

Il me reste à vous prier, M. le Ministre, de remercier le Gouvernement de Sa Majesté Britannique de la communication qu'il a bien voulu nous faire, et je saisis, &c.

(Signé) JULES VANDERSTICHELEN.

(Translation.)

M. le Ministre, *Brussels, August* 3, 1869.

YOU were good enough to communicate to me an extract of a Report of the Board of Trade, relative to the negotiations up to now carried on with China, and treating of the means to be adopted to bring them to a favourable issue.

Your Excellency informed me at the same time that that paper had been sent to Her Britannic Majesty's Minister at Peking, to serve as a guide for him in his relations with the Chinese Government, and expressed a desire that the Belgian Envoy in China might be requested to give Sir R. Alcock all the assistance in his power to assure the success of the future negotiations.

We are fully mindful of the kindness displayed by the Agents of Her Britannic Majesty, when it concerned the arrangements we were ourselves coming to with China and the King, as well as his Government, set too high a value on the development of relations with the Far East not heartily to join, and to the best of our power, in all efforts made to insure the success of a work which interests all nations.

In the opinion of the Board of Trade, to obtain a renewal of the Treaties with China, a choice may be made between two lines of policy.

In the one case it would not suffice to maintain existing engagements; new and important concessions would be required, concessions calculated to realize fully what is called the opening up of China to foreign trade and Western civilization.

In the other case, the only object of the negotiations would be to confirm the conventional rights requisite for the gradual growth of foreign commerce, to correct certain practices of the Chinese Administration with regard to commerce, and finally to sanction, while accepting, some concessions which the Imperial Government might be disposed voluntarily to make.

The Board of Trade does not recommend the adoption of the first of these programmes: according to it, it could only be carried out by force.

It gives the preference to the second. The general idea pervading this last seem be, that in attempting to impose progress of every kind on China, there is less chance of its taking root and maintaining itself there, than in awaiting it from the spontaneous action of the Chinese Government and people, and the moderation of foreign nations.

We freely admit, M. le Ministre, that a friendly policy is the best to induce China to enter on the path of reform, and if I add here some remarks, it is in order to testify to the desire which animates the King and his Government to extend as far as possible the application of this principle, and to cause it to bear full fruit.

China, with its vast territory, its immense population, a social organisation extending over many centuries, forms a separate world, the surface of which has been scarcely touched by foreign ideas. It is not surprising that to penetrate into such materials, all progress from without meets with serious obstacles. But if force to remove these difficulties must be set aside, I am persuaded, on the other hand, that it is not contemplated by the Powers friendly to China to enervate the spirit of enterprise of the Government and of all classes in that country.

In China, even more than anywhere else, changes have had to contend with the habits, the prejudices, the interests opposed to them. Perhaps this resistance might be strengthened, or at any rate prolonged, and the aim of foreign Governments might thus risk being missed, if, by renouncing coercive measures, and abstaining from making the construction of railways or the working of mines, for instance, an imperative condition of the Treaties, the opinion might obtain, both in China and out of it, that these useful projects have lost their value, that there is no longer any ground for entertaining them at present, and that henceforth the realisation of these schemes will be left to time alone.

The Board of Trade, in the idea, I presume, that from this point of view it would be well to facilitate the education of the Chinese people, has approved the notion of obtaining the permission to construct railroads and telegraphs in particular districts within the limits and under conditions strictly determined and based upon experience emanating from the Chinese.

In the same manner all which might tend to enlighten the Chinese authorities and people could only produce a good effect, and it may be hoped that this kind of moral propagandism would exercise an undoubted influence if practised by common agreement by all Governments desirous of propagating in that distant Empire the great economical truths indispensable to give it cohesion and life.

Foreign rivalries have occasionally proved harmful to the progress of civilization by furnishing to Oriental immobility a pretext for refusing to all nations what could not without danger be accorded to one only.

It may, perhaps, appear opportune to see if it may not be possible to constitute a sort of league, composed of Delegates of the most advanced nations of Europe and America, who would unite on a central basis, and would discuss and concert the measures best calculated to prepare and assist the peaceful introduction into the Far East of those measures of industry and of civilization which are blessings to humanity and the honour of our time.

I have now to request you, M. le Ministre, to thank the Government of Her Britannic Majesty for the communication which it has been good enough to make to us; and I avail, &c.

(Signed) JULES VANDERSTICHELEN.

No. 145.

The Earl of Clarendon to Sir R. Alcock.

Sir, *Foreign Office, August 9, 1869.*

HER Majesty's Government have read with great interest your able despatch of the 20th of May, reporting a conversation with the Ministers of the Foreign Board on various subjects connected with Treaty revision, and the relations between China and other countries; and I have to state to you that Her Majesty's Government entirely approve the language used by you on this occasion.

I am, &c.

(Signed) CLARENDON.

No. 146.

The Earl of Clarendon to Sir R. Alcock.

Sir, *Foreign Office, August* 3, 1869.

WITH reference to my despatch of the 28th of May, I transmit to you herewith, for your information, a copy of a despatch from Her Majesty's Minister at Brussels, inclosing a communication from the Belgian Government on the subject of Treaty revision.*

I am, &c.
(Signed) CLARENDON.

No. 147.

Vice-Admiral Harris to the Earl of Clarendon.—(Received August 23.)

My Lord, *The Hague, August* 20, 1869.

On receipt of your Lordship's despatch of the 26th of May last, I lost no time in communicating with M. Roat van Limbourg a copy of its printed inclosure reviewing the whole course of the past negotiations for the improvement of commercial relations with China, and suggesting what should be done to turn them to account; and I have now the honour to transmit copy of his Excellency's reply, expressing entire concurrence with the views held by Her Majesty's Government, and stating the willingness of the Netherlands Government to seize all opportunities for co-operation.

I have, &c.
(Signed) E. A. J. HARRIS.

Inclosure in No. 147.

M. van Limbourg to Vice-Admiral Harris.

M. le Vice-Amiral, *La Haye, le* 18 *Août*, 1869.

J'AI l'honneur de vous offrir mes remercîments sincères de la communication des pièces qui accompagnaient votre office du 28 Mai dernier, touchant les relations commerciales avec la Chine.

Le Gouvernement des Pays Bas est très sensible à cette nouvelle preuve d'amitié. Il approuve entièrement l'esprit de modération et d'équité qui anime le Board of Trade; aussi saisira-t-il volontiers toute occasion pour co-opérer avec le Gouvernement de Sa Majesté Britannique au succès de négociations futures entamées dans le sens indiqué, afin de rendre meilleurs les rapports de commerce avec la Chine.

Je profite, &c.
(Signé) ROAT VAN LIMBOURG.

(Translation.)

M. le Vice-Amiral, *The Hague, August* 18, 1869.

I HAVE the honour to offer you my sincere thanks for the communication of the documents which accompanied your letter of the 28th of last May, on the subject of commercial relations with China.

The Government of the Netherlands is very sensible of this new proof of friendship. They entirely approve the spirit of moderation and equity which animates the Board of Trade; and they will gladly seize every opportunity of co-operating with the Government of Her Britannic Majesty to further the success of any future negotiations undertaken in the sense indicated, in order to bring about a better state of commercial relations with China.

I avail, &c.
(Signed) ROAT VAN LIMBOURG.

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* No. 144.

No. 148.

Sir R. Alcock to the Earl of Clarendon.—(*Received November* 6.)

(Extract.) *Peking, August* 23, 1869.

I INTRODUCED the subject of revision, saying that I had received your Lordship's instructions; and briefly explaining their purport.

I said that, on full consideration, Her Majesty's Government were disposed to concur in the Yamen's view, that the present was not a favourable time for any fundamental changes, or sweeping reforms, nor for the introduction of great innovations of any kind; that the influence of time, and the progress of events might do much in this direction, and remove many obstacles now existing; and they were willing to wait, without any demand for changes of the nature insisted upon by the merchants, such as railroads, telegraphs, steam navigation, &c.

But this did not, of course, apply to such measures as had been discussed and agreed upon in the Commission, and between the Yamên and myself, for the better execution of existing Treaties. Experience had proved that these were necessary and urgent to remedy grave defects in the Chinese administration of the provinces, which gave rise to abuses and constant violations of the Treaty, both in letter and spirit, causing great injury to foreign merchants and their trade.

Under these circumstances I had been instructed to propose that these arrangements should be at once carried out, by means of a short Convention, or other formal instrument, as providing for the faithful fulfilment of Treaty engagements; and that, as regarded any formal revision, this had better be referred to some future, but not very distant period, either a year after the Emperor's majority was declared, might be named, or the date fixed for the revision of the Russian Treaty in 1872, when the Yamên would be under a less heavy responsibility with an Emperor on the Throne reigning, and when other conditions might be much more favourable for a general revision of Treaties with the foreign Powers.

To this the Minister replied, in very general and rather guarded terms, saying that the Yamên was well-disposed to adhere to the arrangements already agreed upon last year; but that any postponement of a formal revision of the Treaty, he thought would be inexpedient. It would leave everything in a state of uncertainty; and he thought, so far from its being very desirable to negotiate with all the Treaty Powers at once, that it would be much simpler and easier to deal with each separately, as the term arrived.

There was a good deal more conversation on this subject, but all pretty much to the same end; and it was plain the Yamên would not give effect to what had been already conceded, except on the condition that this should constitute the whole of the demands to be made upon them, under plea of a revision; and that the whole question of such revision should be closed for ten years with Great Britain.

It only remained for me to intimate that this might be matter for farther consideration; and that I thought it desirable, in any case, before I took my departure a few weeks hence, that some definitive arrangement should be come to, and that such was your Lordship's wish. It was agreed, therefore, that I should bring the subject before the Yamên in an official note, shortly recapitulating the present state of the question, and making my propositions, when Wên promised he would endeavour to secure an early answer.

I have now the honour to inclose a copy of this official note for the Yamên, which will be sent in as soon as it can be put into Chinese; and I trust your Lordship may approve of the steps taken to open the negotiations.

Inclosure in No. 148.

Sir R. Alcock to the Prince of Kung.

THE Mixed Commission appointed last year for the purpose of considering the measures required for the more effectual execution of existing Treaty engagements having been engaged during several months in examining and discussing all the various questions submitted to them, the results were laid before the Yamên and the British Minister.

A correspondence subsequently took place between the Yamên and the Undersigned, and the whole matter was personally discussed with the British Minister on several occasions in connection with a revision of the Treaty.

The result of this protracted inquiry and discussion appeared to be, first, a conviction on both sides that the present was not a favourable time for reforms of a sweeping and

fundamental character, either in the Chinese system of administration or in the basis upon which existing Treaty relations were established; secondly, that the adoption of such measures as could be shown to be essential for the removal of the principal grounds of complaint on the part of the merchants, having reference to abuses and defects in the Chinese administration injuriously affecting foreign trade, presented no insuperable obstacles; and, lastly, that not only was the present time inopportune for the initiation of great changes or innovations of any kind, but those which the merchants most insist upon, such as railroads, telegraphs, inland steam navigation, and residence, however good and desirable in themselves or under certain conditions, were not essential to the satisfactory working of the Treaty.

The Undersigned having communicated these conclusions, together with the Minutes of the Commission and the whole of the correspondence to his Government, he is now authorized to state that they are disposed to concur in these views, and to adopt them, as giving the measure, in reference to any present action, of their demands for measures to secure the better execution of the Treaty, which experience has shown to be necessary.

But under these circumstances Her Majesty's Government are of opinion that the formal revision of the Treaty of Tien-tsin might, with advantage to both countries, be deferred until the majority of the Emperor should be declared, which may probably coincide in point of time with that of the last Treaty Power entitled to claim a revision. France might also be inclined to defer revision to the time for the Prussian revision in 1872, when the simultaneous action and co-operation of all the powers might then be secured. Many advantages would apparently accrue to all parties by such a course. Among others the following :—

1. Time and other influences are likely to bring about great changes. Foreign Powers and their subjects may better understand in the next few years the material conditions of the Empire and the necessity for special adaptations to meet them. A greater disposition to extend foreign trade and relations than at present appears to exist among the official classes and people may also remove many obstacles now preventing the adoption of foreign appliances and inventions or innovations of any kind; and what is now impracticable might then be found easy and mutually advantageous.

2. In many things—such, for instance, as a general revision of Tariff, especially if involving any large departure from the present scale—such as a modification of the basis of existing relations as to exterritoriality, inland residence, missionary operations, &c., it would be essential that all the Treaty Powers should join and be willing to enter into the same arrangements. None of these objects could in fact be attained by treating with any one Power singly, and without reference to the others.

If this view should be adopted by the Chinese Government, it would only be necessary that, in the meantime, and pending a general revision, such arrangements should be carried out now with the Undersigned as have already been discussed and agreed upon. This can be effected and placed on record either by a short convention or in such other mode as upon consideration may seem best.

Those arrangements, it will be remembered, contemplated the following objects, as recorded in the several notes exchanged between the Tsung-li Yamên and the Undersigned :—

I. *In respect to Tariff and Trade or Customs Regulations.*

1. An improved system of collecting transit dues free from the more prominent defects of the one now existing so as to allow :—

(*a.*) All foreign goods to circulate freely on payment of import and transit dues;

(*b.*) To enable all Chinese produce to get to foreign markets after payment of export and transit dues without further charges or obstruction;

(*c.*) To place native produce, with the exception of Government monopolies, to be treated in China on the same footing as it is when traded in by Chinese.

2. Free admission of all ship and dock stores, and any other articles exclusively for foreign consumption, under certain rules to be framed to that end.

3. The repayment of drawbacks in money during any current quarter.

4. The establishment of bonded warehouses at the ports where they are desired.

5. The reduction of Tariff duty on some twelve articles enumerated, the most important of which is native coal.

6. The abolition of coast trade tea bonds at the Yang-tsze ports.

7. The equalization as far as possible of the payment of duties at all the ports, either by authorizing their receipt in the sycee of the place, or such other means as may seem best adapted to the end.

II. *In respect to greater Facilities for Trading Operations and Transport of Goods in the Interior.*

8. The erection of landing-places and Custom-house stations at certain points on the Yang-tsze to be determined upon.

9. The opening of one or more ports on the coast either in addition to or in exchange for those already existing.

10. The adoption of a written Code of Commercial Laws and fixed rules of procedure and practice, and a better constitution of Mixed Courts for its administration in all cases of civil suit between foreigners and natives.

11. The issue of an Edict declaratory of the right of foreigners to trade freely in the interior, and to hire temporary lodging and accommodation throughout the country for their produce and goods.

12. The introduction of a steam-tug on the Poyang Lake for mercantile purposes.

13. The working in the vicinity of one or more of the Treaty ports of coal mines with the aid of foreign skill and machinery, and all the necessary facilities for cheap transport to the place of shipment.

By giving immediate effect to these, a practical solution *ad interim* might be secured which would obviate the chief evils and remove many of the difficulties of the actual situation. Both sides having shown a desire for changes of a more comprehensive and fundamental character—the one in a progressive, and the other in a retrograde or restrictive sense, and these being in their nature irreconcileable with each other, nothing better can be done, it would seem, than to acknowledge the fact, and by common accord admit the impossibility of giving effect to either scheme of revision—limiting all efforts at the present time to the carrying out of measures for the better execution of the Treaty as it stands, with such minor modifications or concessions on either side as can be made without serious difficulty.

If the Chinese Government, however, should see any insuperable objection to this course, and decide that the aforesaid arrangements cannot be adhered to except they constitute a formal revision of the Treaty to hold good for another period of ten years, the Government of Her Britannic Majesty will not refuse their consent. However reluctant, for the reasons above stated, to enter at this moment into engagements for so long a period, and which might preclude their effective co-operation either with the Chinese Government or with other Treaty Powers at a time more favourable for a general revision in the common interest, they cannot dispense with the measures indicated as necessary for the better execution of Treaties while waiting for eventualities.

But, in the event of the Government of China deciding upon formal revision now, as the condition of adherence to what they have already conceded in principle, it is clear there are other objects besides those already enumerated which will demand consideration. Some provision will have to be made, or, at least, some understanding come to, for the reception of the British Minister at the Court of Peking on the same footing as has been recently accorded on that supposition alone by the Sovereigns of Europe to the Envoys of the Emperor. This is one of those questions which cannot be passed over in any formal revision of Treaties, or be allowed to remain without solution indefinitely.

In like manner it is impossible that Article V of the Convention signed at Peking in 1860, for the regulation of coolie emigration, can be suffered to remain in abeyance as it has been for the last four years. It is obligatory on the Chinese Government to give effect to that Article by agreeing with Her Britannic Majesty's Representative to such regulations as can be accepted by both Governments. Those framed in 1866 having been declared unsatisfactory and inadmissible by the British Government, it is incumbent on both parties to agree, without further delay, on some other arrangements for giving effect to the Treaty.

There may be other points of minor importance which it will behove the Undersigned in any formal revision to bring to the notice of the Tsung-li Yamên, but not requiring enumeration here.

It remains with the Chinese Government to decide; and as the time is fast approaching when the Undersigned purposes to take his departure from Peking, on leave to return to Europe, he begs the Yamên will favour him with an early reply for his guidance.

(Signed). RUTHERFORD ALCOCK.

No. 149.

The Earl of Clarendon to Sir R. Alcock.

Sir, *Foreign Office, November* 13, 1869.

HER Majesty's Government entirely approve your language to the Minister Wên Ta-jên, and your proceedings with regard to Treaty revision, as reported in your despatch No. 99, Confidential, of the 23rd of August.

I am, &c.

(Signed) CLARENDON.

No. 150.

Sir R. Alcock to the Earl of Clarendon.—(Received November 30.)

(Extract.) *Peking, September* 30, 1869.

REFERRING to my despatches of the 23rd ultimo, I have the honour to report that, after some further interchange of views, an understanding was come to, which I trust may yet enable us to give effect to the wishes of Her Majesty's Government on the revision of the Treaty, as these were conveyed to me in your Lordship's despatches of the 21st of May, and of the 4th of June last.

Not to occupy too much time, I may in brief state, that an understanding was come to, that the revision should proceed at once on the bases arranged last year by the Commission; and such modification, as might be finally agreed upon, should be embodied in a formal Convention, in which no time should be specified on either side defining a period of duration; and, on the understanding that the revision on these points will be satisfactorily and promptly arranged, it will be agreed on my part to treat the questions of audience, coolie emigration, and salt, separately.

In accordance with this understanding, I have since sent into the Yamên an abstract of the chief arguments and facts brought forward by the Northwich Salt Chamber of Commerce, in their communication to Mr. Burlingame, a copy of which was inclosed in your Lordship's despatch of the 23rd of June, urging the expediency of admitting foreign salt as an import; not, I confess, with any hope of obtaining any immediate concession, but in order to show the Chinese Government that the subject is still considered one of great importance, both by Her Majesty's Government and the merchants at home. It will at least prove to the latter that no effort has been spared to obtain the object they desire.

There seems a prospect now that a revision, such as Her Majesty's Government contemplated, will be carried through in the course of next month. The Commission is sitting daily, and discussing the practical details in communication with the Yamên and myself. The Chinese members of the Mixed Commission raise many objections and difficulties. The arrangement of any practical scheme for the regulation of the free transit of goods and Chinese produce, on payment of the 2½ per cent. duty, offers the chief obstacle to any progress at the present moment, and may eventually interfere with the revision altogether. I trust in better fortune, however, despite all impediments.

There is one point on which I find I must exercise my own discretion, as I have received no instructions. I allude to the six heads under which the Prince of Kung summed up the demands made on the part of the Chinese, inclosed in my despatches of the 14th of December, 1863, and of the 7th of January last. I only drew especial attention, it is true, to the proposal to nominate a Consul to Hong Kong; and that point has been subsequently answered in your Lordship's despatch of the 20th of March, inclosing a communication on the subject from the Earl of Granville.

The second head referred to the abolition of merchant Consuls. The third and fourth, to privileges of Chinese subjects in England, which, as they would confer extra-territorial rights, are of course inadmissible, the rights of the most-favoured nation being all that Her Majesty's Government can grant. The fifth concerns limitation of time for passports and transit papers, to which there is not a valid objection. The sixth, for regulations to restrain disorderly sailors on shore,—an unexceptionable object, but practically difficult of attainment, if not impossible.

These I propose to deal with in a spirit of reciprocity and concession, as far as the different conditions of the two countries will admit, trusting to the full approval of Her Majesty's Government.

No. 151.

The Earl of Clarendon to Sir R. Alcock.

Sir, *Foreign Office, December* 3, 1869.

HER Majesty's Government fully appreciate and approve the great prudence and ability with which you have conducted the negotiations for the revision of the China Treaties, as reported in your despatch of the 30th of September.

I am, &c.

(Signed) CLARENDON.

No. 152.

Sir R. Alcock to the Earl of Clarendon.—(Received December 27.)

My Lord, *Peking, October* 28, 1869.

A SUPPLEMENTARY Convention to the Treaty of Tien-tsin was signed in quadruplicate on the 23rd instant, by His Imperial Highness the Prince of Kung and the Ministers of the Yamên, as the Plenipotentiaries of His Imperial Majesty the Emperor of China, and by me on the part of Her Majesty.

One of the four copies I have now the honour to inclose for ratification, should it be approved by Her Majesty's Government, as I trust, I believe it will be found to secure advantages far in advance of the objects contemplated in the XXVIIth Article of the Treaty. A revision of the Tariff and commercial articles is all that is there provided for; but the present Convention goes much beyond this, opening new ports, establishing bonded warehouses, giving the right of navigating the inland waters in foreign-owned vessels, of renting places for storage, and temporary residence in the interior; these are all innovations of great prospective importance.

The Convention will also be found to have effected all that was contemplated as desirable by the Board of Trade in their Report of the 12th of May last, and otherwise to be in general conformity with the instructions conveyed in your Lordship's despatches dated respectively the 21st of May and the 4th of June.

I shall best economize your Lordship's time, I believe, in reference to details and the bearing of the different Articles by inclosing a copy, with the marginal notes attached to each Article, which Mr. Hart supplied at my request. This, taken with the inclosed copy of my explanatory despatch to M. de Rehfues, as the Doyen of the Corps Diplomatique, leaves me but little to add by way of explanation.

I look upon the arrangements entered into for the collection of transit dues and the total exemption of all foreign textile fabrics in the nine provinces in which are Treaty ports, as the most important advantage gained by the Convention, and if ratified, and carried into operation, I have very little doubt that the end proposed, a total exemption from such charges or exactions, will be fairly secured.

Of course this, and other stipulations, involves of necessity the concurrence of the other Treaty Powers, not only because a compulsory payment of the half-import duty at the time and place of importation has been substituted for the existing rule, which left it optional, but also from the fact that the Convention stipulates, in return for this, the reduction of duties on articles of foreign trade, and other considerable advantages. An increase in the duty on opium and on silk; the former to the amount of $2\frac{1}{2}$ per cent. *ad valorem*, and the latter a fraction over 1 per cent. One part of the Convention cannot be taken, and the other rejected. It must be accepted or rejected by all the Treaty Powers, as a whole; and it is easy to see that there may be considerable difficulty in obtaining such a consensus of opinion as will be required to that end. France has always refused to be bound by any conditions attaching to concessions made to other Powers, while claiming, under the "most-favoured-nation" clause and two special Articles, the full enjoyment of any advantages so gained. This is expressly stipulated in the IXth Article of the French Treaty, signed at Tien-tsin; and by the XLth Article it is still further provided for, in the following words:—

"Il est d'ailleurs entendu que toute obligation non consignée expressément dans la présente Convention ne saura être imposé aux Consuls ou aux Agents Consulaires non plus qu'à leurs nationaux, tandis que, comme il a été stipulé, les Français jouiront de tous les droits, privilèges, immunités, et garanties quelconques qui auraient été ou qui seraient accordés par le Gouvernement Chinois à d'autres Puissances."

Were China strong enough to assert her international rights in defiance of any foreign

Power, her Government could, of course, refuse to allow a right conceded to one country, under certain conditions, to be enjoyed by another irrespectively of these. They would be perfectly entitled to say, "We have engaged to give you the treatment of the most-favoured-nation, and are ready, in letter and spirit, to fulfil our engagements; but that does not warrant you claiming advantages without conditions which have only been conceded to another on their acceptance."

But China is scarcely in a position to assert her rights, in this or any other direction, when contested by foreign Powers. And, on the other hand, France and Prussia, and the Treaty Powers in general, may with some reason maintain, "We have Treaties with China, by which we are intitled to import and export certain goods according to a tariff mutually agreed upon; consequently no understanding between China and another Power can affect our rights in this respect without our consent." This, no doubt, is true; and, as it is impossible to consent that goods imported or exported under the British flag should pay a higher duty, or be bound by any restrictions or conditions not equally applicable to all nations, it naturally follows that every Treaty Power has a veto on the revision which any one may find it advantageous to make. For, assuming that it could be plainly demonstrated on the whole to be greatly to the advantage of all Treaty Powers that certain arrangements entered into by any Power with China should come into operation, it still would rest with each Government to act upon their own opinion on such a subject, and refuse if they saw fit. This creates a very serious difficulty in the way of any revision with single Powers.

In anticipation of this difficulty, an official note, herewith inclosed, was exchanged at the signature of the Convention between the Prince of Kung and myself, distinctly recognizing the necessity of deferring the giving effect to the instrument, even after the exchange of ratifications (except by mutual consent of the High Contracting Parties) until a common understanding had been arrived at with the other Treaty Powers, and their acceptance of the Articles of the Convention, as binding upon their respective subjects, had been obtained. To this end it was further agreed that both should invite the several Treaty Powers to give their adherence to the Convention as a whole, and applicable to all. The inclosed copy of the reply of M. de Rehfues to my communication on the subject merely acknowledges receipt, pending the transmission of the text of the Convention by the Tsungli Yamên.

I do not know that any explanation of each particular Article, and the objects to be attained by them, is needed beyond what the inclosed documents will supply. But in a matter of so much importance it may be better, at this distance too, that any error should be on the side of excess than deficiency; and I therefore will submit a few remarks in elucidation of the chief objects which I believe to have been secured by the signature of the Convention.

It will be seen that I succeeded in part, by the omission of any stipulation as to time, in carrying out my instructions to avoid a revision for another decade. It was impossible, however, to obtain any of the concessions negotiated for last year without making it a formal revision in the sense contemplated in Article XXVII of the Treaty of Tien-tsin, with the understanding that no further demand should be made upon them on the ground of no revision having been effected. Even this was only agreed to, I believe, in consequence that my intimation that the Audience and Coolie Emigration questions must be fully gone into if any definite period were fixed during which any revision to be effected now should run. As a mutual compromise the Yamên then agreed to leave out all specification of a fixed period, and I consented, on my part, to withdraw the two questions from the list of those included for immediate settlement, and to discuss them separately.

This, however, was only the first step towards a satisfactory termination. More than once in the last six weeks the negotiations were interrupted, and to all appearance broken off altogether, in consequence of the obstructiveness which the Chinese Members of the Mixed Commission displayed, and their opposition to any satisfactory measures for the relief of our trade from leking, and other charges, far in excess of the transit due of $2\frac{1}{2}$ per cent., and fatal to all progress.

It became apparent, at last, that the only chance of arriving at any better result must lie in more direct negotiations with the Yamên; and Mr. Hart having offered himself as a medium of semi-official communication between myself and his Excellency Wên-hsiang and the rest of the Yamên, I availed myself of his services. I believe it was mainly through his active intervention that they were at last led to see the expediency, if not the advantage, of ceding many points previously insisted upon, and offering me terms I felt justified in accepting.

I have expressed myself so strongly, on many former occasions, as to the paramount importance, in any revision, of relieving our trade from the burden laid upon it by a wholly

irresponsible power of taxation exercised by the local and provincial authorities, that I need not further insist upon it here. I have only to add my conviction that the proposed arrangements hold out fair promise of the removal of long-standing abuses in this direction, and I see in them a practical solution of the difficulties caused by the exactions of the local authorities to the serious prejudice of trade.

The great objects specified under this head by the Board of Trade, I believe, will be fully secured by the measures contemplated; and the transit-pass system, liable to such grievous abuse by foreign merchants, has, at the same time, been almost entirely superseded —entirely so for the bulk of the imports in the nine Provinces, and in native produce for export, in all—under conditions which, by dispensing with all distinction between native and foreign trade, leave to the provincial authorities the rights they are accustomed to exercise of inland taxation, and an interest in the increase of foreign trade, while it secures the foreign merchant from all surcharge over the tariff rate for transit of $2\frac{1}{2}$ per cent. more effectually than any system of protection by transit passes could do in such a country as China. This part of the scheme thus meets the suggestion of the Shanghae Chamber of Commerce, so far as leaving the proceeds of taxation in the hands of the Provincial authorities, while it gives them better protection against surcharges, and puts an end to the foreign traffic in transit dues, which was a public scandal.

The opening of two new ports in populous districts, and centres of distribution as well as consumption, in exchange for a port in Hainan, which has never been deemed worth opening, cannot fail to be a gain to commerce. Wuhu, on the Yang-tsze, has much to recommend it on its own account, but, independent of this, it was necessary to obtain it in order to bring the central Province of Anhui within the arrangement for free goods stipulated in the first Article of the Convention.

It is within such easy reach of Chinkiang, that the Consular establishment there can, if necessary, provide for its wants, by detaching, temporarily or permanently, a senior assistant, if the development of trade should necessitate any surveillance on the spot. Wên-chow will, no doubt, require a small Consular establishment as soon as it is declared open; and there seems an entire concurrence of opinion as to its value in a commercial point of view. Tchang, in the Upper Yang-tsze, would have been very desirable as a Treaty port, but I found it quite impossible to get the Yamên to accede to any proposal for extension further inland.

There was a great stand made by the Chinese for a limitation of one year for drawbacks, but they finally consented to three years—amply sufficient, I believe, for all mercantile purposes, with payment in cash for any current quarter. In both directions this will prove very advantageous to merchants, for a limitation of one year had been *de facto* established at Shanghae, the chief port where drawbacks are in request.

I made a final effort to obtain the admission of foreign salt, as will be seen by the inclosed correspondence. I believe the objections might not have proved so insurmountable had the Yamên felt they had to deal with Great Britain only; but to grant to England a right to import one shipload every month was to concede the same right to every other Treaty Power, and twelve times twelve ships every year would not have left much monopoly in the hands of the Salt Commissioners.

The working of coal-mines at three points in the vicinity of ports, and two of these on the mainland, by foreign machinery, together with the abolition of all duty on foreign coal, as well as a reduction of duty on the native produce, will have very beneficial effects, and were desirable in themselves.

The conditional and qualified right of temporary residence, and inland navigation in foreign-owned vessels, if judiciously and quietly worked, will, I am satisfied, give foreign merchants all they can reasonably desire, and quite as much as they are in a position to turn to any good account for the present. It is too much to expect, however, that they will think so.

The introduction of a steam-tug for their use on the Poyang Lake may not be very valuable as a means for towing cargo-boats of tea, but as the first step towards familiarizing the Chinese authorities and people with steam-vessels in the inland waters, I think the concession far from unimportant.

The adoption of a written code of commercial law, in like manner, is more important for what it may lead to, than for any immediate results. From a commercial to a civil and criminal code, founded on European principles, and an international court for its administration in all mixed cases between foreigners and natives, there are but two steps; and these once gained, extra territoriality may be dispensed with, and the greatest impediment to inland residence and unwillingness on the part of the Chiness officials to see the foreigner located in the provinces will disappear.

For these various advances in the path of progress and other concessions we have had

to give something in return. A small increase in the duty of the two products, one Indian and the other Chinese, which, from their great value, can best bear it, has been the price paid. It is very certain, however distasteful to the merchants any increase may be, that not a pound less of either opium or silk will be in demand, even if it increase the price by that amount. And the $2\frac{1}{2}$ per cent. in the one case, and 1 per cent. in the other, cannot, in any perceptible degree, diminish the profits of those who deal in them. Moreover, it was a case in which the British Representative could not, as the Lords of the Committee of Privy Council for Trade remark in regard to another article, tea, refuse a revision on any ground of reason or equity. On opium it is a matter of great indifference what import duty is levied while the Chinese Government has the acknowledged right to lay on any tax they please the moment it leaves the foreign importers' hands. Indeed, in the interest of India and our Indian revenue, anything calculated to give the Chinese Government an interest in the importation of the foreign article is by so much an advantage to the trade, as supplying a motive for checking the growth of the native produce, which has recently extended so greatly as to threaten the whole Indian trade, as I more particularly explained in my despatch of the 13th instant, inclosing a reply to the Indian Government on the subject.

As to silk, the argument on the Chinese side was irresistible. It was an article of so much value and in such great demand that it could well bear a heavy duty. The present duty was actually below the scale of 5 per cent. adopted as the average for all exports and imports, and for both these reasons they were well entitled to demand an increased rate to bring it up to that average. Considering that they desired to double the duty on tea, silk, and opium, and had a direct interest in doing so, I think they showed great moderation in being finally contented with so little. Indeed, the total prohibition of opium, the restriction of missionaries from inland residence, and the abolition of all extra-territoriality, being the three cardinal points and chief objects of desire with the Chinese Government and all the official hierarchy, it must be matter of congratulation that they have not insisted upon any one of these as a condition of revision; that is, a revision in the sense which we alone contemplated or desired.

Besides the small increase in duty on these two articles, nothing has been conceded on our part but the plainest of all international rights, if there is to be any principle of reciprocity recognized in our relations with China, viz., the right to appoint Consuls in the British dominions. I have not for a moment forgotten the expressed wish of the Board of Trade that there should be no increase in the scale of duties, and the last instruction conveyed in your Lordship's despatch of the 4th of August, indicating a doubt as to the expediency of allowing a Chinese Consul to be appointed at Hong Kong; but this last could hardly be refused with any show of reason or justice; and as to the inconveniences to be anticipated—even supposing this Government should be prompt to avail themselves of the privilege, which is doubtful—I believe these will be found, on experience, to be more or less chimerical. Hong Kong is confessedly a great smuggling depôt; and the Chinese revenue, it is calculated, lose more than a quarter of a million annually in Customs revenue from its proximity to the mainland. It is natural, therefore, that they should desire to put a stop to it; and, as your Lordship's despatch of the 20th of August last, with its inclosures, plainly shows, they are prepared to take as determined measures to check it as the Chinese smugglers are taking to carry it on by force. These things being so, it is much better, I conceive, that we should aid them, by legal and peaceable means, to control the smuggling proclivities of their own subjects sailing and trading from our Colony where there is a free port, than compel them to plant taxing stations, farmed out to unscrupulous guilds or Companies, and arm European-built ships of war to run "amuck" on all native vessels leaving the harbour of Hong Kong. Indeed, this course is so clearly laid down in the above-cited despatch of your Lordship that I may congratulate myself on having, as I trust, fully anticipated the wishes of Her Majesty's Government by providing, in the Convention, for more satisfactory arrangements than those hitherto existing between the Chinese and the British Colonial authorities.

If the Consul appointed by the Chinese Government should, by controlling the smuggling propensities of his own countrymen in league with the foreign merchant, inflict any injury on Hong Kong by greatly diminishing illicit traffic, the concession contained in the Vth Article of the present Convention, giving to Hong Kong the much-desired privileges of a Chinese port in matters of transhipment, will go far to counterbalance any damage from effective action on the part of the Chinese authorities against smuggling. The legitimate trade can only gain by the measures proposed, and the suppression of that which is illicit will go far to put an end to the hostile feeling, of the existence of which, as your Lordship justly remarks, there can be no doubt.

Finally, these three concessions constituted the price demanded for all the Chinese were willing, or could be induced to grant in the interest of foreign trade. Have we paid too dear? I think the advantages we have gained so far preponderate over the little that has been yielded, as to leave no doubt on the subject.

I cannot close this review of the long-protracted negotiations and their result in the Convention, without bringing to the notice of Her Majesty's Government the valuable assistance I have received from Mr. Frater, Second Secretary attached to this Legation, and Mr. Adkins, the Acting Chinese Secretary. The latter has officiated as interpreter throughout, both in the Commission and at the Yamên. Much of the labour of the whole has devolved upon these two gentlemen, and I cannot speak too highly of their unwearied zeal and assiduity.

I have, &c.
(Signed) RUTHERFORD ALCOCK.

Inclosure 1 in No. 152.

Supplementary Convention to the Treaty of Commerce and Navigation of June 26, 1858, between Great Britain and China.

HER Majesty the Queen of the United Kingdom of Great Britain and Ireland, and His Majesty the Emperor of China, desiring to secure the better execution of the Treaty of Commerce concluded between them on the 26th of June, 1858, have resolved, in accordance with the provision made in the XXVIIth Article to the effect "that either of the High Contracting Parties may demand a further revision of the Tariff and of the Commercial Articles of that Treaty at the end of ten years," to negotiate a complementary arrangement, and they have for that purpose named as their Plenipotentiaries, that is to say:—

Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, Sir Rutherford Alcock, Knight Commander of the Most Honourable Order of the Bath, Her said Majesty's Envoy Extraordinary and Minister Plenipotentiary to His Majesty the Emperor of China;

And His Majesty the Emperor of China, His Imperial Highness (Ho-shuo) Prince of Kung; Wên Hsiang, President of the Board of Civil Office; Pao Chün, President of the Board of Revenue; Tung Hsün, President of the Board of Revenue; Tan Ting Hsiang, President of the Board of Punishment; and Chung Lün, President of the Colonial Office;

Who, after having communicated to each other their respective full powers, found in good and due form, have agreed upon the following Articles:—*

ARTICLE I.†

China having agreed that British subjects shall participate in all advantages accorded by Treaty to the subjects of other Powers, it is further agreed that British subjects desiring to participate in the advantages accorded by Treaty to the subjects of other Powers, shall participate in such advantages on the same conditions on which they have been accorded to, and are participated in, by the subjects of other Powers.

ARTICLE II.‡

China having agreed that England may appoint Consuls to reside at every port open to trade, it is further agreed that China may appoint Consuls to reside at all ports in the British dominions.

The Consuls so appointed shall respectively be entitled to the treatment accorded to the most-favoured nation.

* In this preamble only a part of the XXVIIth Article is quoted; what is omitted would have a bearing in the time for the next revision, and it is omitted in order that that question may receive its own solution in time, and not, by becoming a vexed question now, interfere indefinitely with the work of the present revision.

† This Article is placed first because it contains the principle on which all voluntary revision, so far as China is concerned, hinges. England, to have the benefit of advantages accorded to any other State, agrees to be bound by the conditions consented to by the State concerned to obtain the advantages in question. With this form of the "most-favoured-nation" clause, it is hoped that other Treaty Powers will be induced to accept what China gives, on the Chinese terms assented to by England.

‡ The only explanation this Article needs is, that while foreign Consuls are called "Ling-shih-kuan" in China, Chinese Consuls in England, although styled Consuls by the English, will be known to Chinese officials by another Chinese title (not yet fixed on) than of "Ling-shih-kuan." That they are simply to be Consuls is evident from the concluding words of the Article.

ARTICLE III.

It is agreed that commodities of the following classes and denominations, viz., cottons, linens, woollens, woollen and cotton mixtures, &c., &c., imported by British merchants, shall pay both import duty and transit duty simultaneously at the time of importation.

On the other part, China agrees that the above-mentioned commodities, imported by British merchants, and having paid import duty and transit due simultaneously at the time of importation, shall be exempt from all other taxes and charges whatsoever, in Treaty port provinces.*

ARTICLE IV.

It is agreed that native produce purchased in the interior by British merchants, furnished with the documents prescribed by the Supplementary Regulations, shall pay all inland dues and charges on its way to the Treaty port.

On the other part, China agrees that any such native produce having paid all inland dues and charges on the way to the port from the place of purchase, shall be entitled to the return of any amount that may have been thus paid over and above the Treaty transit due (half export duty), provided exportation by British merchants to a foreign port takes place within twelve months.

It is further agreed that native produce shipped to another Treaty port shall not be entitled to such refund.†

ARTICLE V.

It is agreed that Chinese produce shipped from Hong Kong to a Treaty port shall not be carried inland under the transit rule, but shall pay dues, duties, and inland charges, like all other native produce at all barriers passed.

On the other part China agrees to issue to native produce shipped by British merchants from Treaty ports to Hong Kong the ordinary export duty proofs, and to collect on such produce, on arrival at a second Treaty port, the ordinary coast-trade (half import) duty.‡

ARTICLE VI.

It is agreed that the port of Wên-chow in Chê-kiang shall be opened to British trade, and that Kiung-chow, named in the Treaty of Tien-tsin, shall be removed from the list of Treaty ports.§

ARTICLE VII.

It is agreed that British merchant-vessels shall not be called on to pay tonnage dues oftener than once in the four months.

* This is a most important concession, for it permits manufactures (the goods in whose sale England is chiefly interested) to circulate freely, without certificate, and without further charge or tax on payment of $7\frac{1}{2}$ per cent., through the Treaty port provinces. It is a concession far in advance of the Tien-tsin transit clause, as regards one-half of China, and as regards the other half, the former transit privilege is continued in force. The "supplementary regulations" will show the action to be taken.

† The advantages of this new arrangement are obvious. On the one hand, the British merchant will have refunded to him in cash whatever taxes he may have paid over and above half tariff rate ($2\frac{1}{2}$ per cent.) in bringing from the interior Chinese produce for shipment to a foreign market; and, on the other hand, the Chinese Government will be able to stop the malpractices of those Chinese who employ foreigners to bring produce from the interior (not intended for the foreign market), and who by thus cheating the Government out of its just dues on native trade, have indisposed it to give, in the past, a warm support to the foreign transit clauses. This is unquestionably an improvement on the Tien-tsin transit rule.

‡ Firstly, this gives the Hong Kong merchants what they ask for, and secondly, it arranges what Chinese officials have long felt to be a grievance. Till now Chinese produce (say sugar) shipped from Canton to Shanghae, has, *viâ* Chin-kiang, gone into the interior as native produce, while at the same time, and possibly conveyed by the same person, the very same kind of native produce, shipped *viâ* Hong Kong, and therefore held to have changed its origin, has entered the interior as a foreign commodity and under the transit system; the former paying all inland taxes *en route*, and the latter freed from them by one transit payment; offices lost revenue, and constant quarrelling has taken place as to the nature of such goods at the barriers under the new rules, Chinese produce will be treated as Chinese produce—for the sake of native officials when entering the interior having come from Hong Kong, and for the sake of foreign merchants when going to a Treaty port, but transhipped at Hong Kong (*i.e.*, paying a full duty on shipment, and a half duty on discharge, instead of two full duties as going to and then coming from a foreign country.

§ This is a wise exchange. Kiung-chow has been nominally a Treaty port for ten years, and still shows no signs of inviting trade; it will therefore be no loss to remove it from the list. On the other hand, Wên-chow will afford a ready exit for a sort of tea that reaches Foo-chow after a long, difficult, and expensive transit, and as it is the port of a comparatively populous and wealthy country, it will take many foreign commodities. Further, to open it will be almost as good as to subsidize a steam line between Foo-chow and Shanghae, both of which places desire rapid and regular communication. Wên-chow will be a decided gain, and will become another important centre whence trade will radiate.

On the other part, England agrees that British merchant-vessels of every description, whether used for the transport or storage of merchandise, conveyance of passengers, or residence (merchant-ships, hulks, chops, &c.), as well as all craft of the Chinese type, owned by British subjects, shall pay tonnage dues according to their tonnage, if trading from port to port, on the expiration of their special certificates, and if used as hulks in port on the expiration of the term of four months, as the case may be.*

ARTICLE VIII.

It is agreed that all British merchant-vessels shall report to the Customs their port of destination, and shall hand in export manifests when about to clear.

On the other part, China agrees that the amount of any fine for false manifests, where British subjects are concerned, shall be determined in accordance with the special circumstances, and shall not in any case exceed the sum of 500 taels.†

ARTICLE IX.

It is agreed that in all cases of fines arising out of breaches of Customs Regulations the Superintendent, or the Commissioner of Customs, may have a seat on the bench, and take part with the British Consul in inquiring into the case.

And that in all cases of confiscation arising out of breaches of Customs Regulations, the British Consul may have a seat on the bench with the Superintendent or the Commissioner of Customs, and take part in inquiring into the case.

It is further agreed that England and China shall, in consultation, draw up a Commercial Code.‡

ARTICLE X.

On the one part China agrees to issue licences to pilots.

On the other part England agrees to punish British subjects piloting, or who employ persons to pilot, not having licences.

It is further agreed that effect shall be given to the stipulation of the Treaty of Tientsin that, "for the due restraint of crews of ships, regulations will be drawn up by the Consuls and the local authorities."§

ARTICLE XI.

It is agreed that drawbacks issued to foreign goods, re-exported by British merchants to foreign countries, within three months from the date of importation, shall be convertible (at the Haikuan bank) into cash.

On the other part England agrees that foreign goods, re-exported by British merchants to foreign countries, after the expiration of three years from the date of importation, shall not be entitled to drawback of import duty.‖

ARTICLE XII.

It is agreed that opium shall pay import duty at an increased rate.

On the other part China agrees:—

1. That British subjects holding passports may use their own vessels, resembling Chinese craft, and propelled by oars or sails, when visiting non-Treaty ports or places in the interior.

* This, too, is a decided gain. Vessels now go to the Amoor, Japan, Hong Kong, Manilla, and Saigon, only paying tonnage dues once in the four months. The new rule which, without specifying places, simply mentions time—"once in four months"—will enable vessels trading to Batavia, Bangkok, Singapore, Malacca, and Penang, to take advantage of the same privilege as regards payment of tonnage dues. The rule, as it affects hulks, will only very properly enact that they are to pay every four months for the space they occupy in the harbour, and bear their share in supporting harbour police, &c.

† The Treaties have not provided for export manifests or report of destination. In return for the assent to provide for these wants China consents—instead of fining 500 taels for every false manifest—to fine offenders in sums not exceeding 500 taels, and which are to be determined in each case by the circumstances accompanying the offence.

‡ The object of this is simply to give a Treaty Clause authority to the principle of joint-investigation in Customs cases. The concluding sentence is a stipulation of great value. A Commercial Code accepted by both China and England will be very useful in itself, and it may perhaps pave the way for reforms in the judicial procedure in China, generally speaking. This promise must be considered as not a little gained.

§ The object of this is to give a Treaty Clause authority to licensing pilots, and punishing those who pilot without licenses. It is to serve as a base and support for an efficient pilotage service.

‖ This Article stipulates for what will be beneficial to both parties. On the one hand, the British merchant will receive back in cash duties paid on goods re-exported within three months; and on the other, the Chinese Government will have a limit fixed beyond which it will not be held liable for refunds of duty carried to account.

2. That bonded warehouses shall be established for British warehouses at such Treaty ports as may be expedient.

3. That the Superintendent of Customs at Kiu-kiang shall provide a tug for the use of British-owned Chinese-like boats on the Poyang, and in the vicinity of Hukow.

4. That bonds entered into by British merchants for the re-export of teas shipped from Yang-tsze ports shall as an experiment be done away with.

5. That the Imperial Commissioner in the South shall open coal mines at two or three places; and

6. That the duty on native coal, exported by British merchants from the southern ports, shall be reduced.*

ARTICLE XIII.

It is agreed that silk shall pay export duty at an increased rate.

On the other part China agrees:—

1. That Wu-hu in Anhui shall be opened to British trade.

2. That foreign grain may be re-exported and without payment of duty by British merchants.

3. That materials used by British subjects in docks for the repairs of British vessels shall be exempt from duty.

4. That the list of duty free goods for British household use and ships' stores shal be revised.

5. That foreign coal and guano imported by British merchants shall be exempt from duty; and

6. That import duties shall be reduced on watches, pepper, black and white, tin plates, and timber, imported by British subjects.†

ARTICLE XIV.

It is agreed that each Custom-house shall draw up rules fixing the touch of sycee to be received in the payment of duties by the bank at each port.

It is further agreed that the various documents issued to British subjects (transmit papers, passports, &c.) shall be returnable on the expiration of one year from the date of issue.‡

ARTICLE XV.

It is agreed on both parts that the Articles untouched by the present revision shall be hereby declared to be renewed and confirmed, and that the revised version shall rule in the case of such Articles as the present revision affects.§

ARTICLE XVI.

The present Convention shall be ratified, and the ratification shall be exchanged at Peking as soon as possible. In witness whereof the respective Plenipotentiaries have signed the present Convention, the Supplementary Regulations appended, and the Tariff

* As regards increased duty on opium, the increase will only amount to 2½ per cent., and opium can well bear it. The consumption will not be decreased a single ounce, and the tax will fall on the Chinese consumer. In exchange China will give bonded warehouses which some merchants have called for so loudly; will commence to work two or three coal mines, reducing the duty on native coal; will do away with troublesome tea-bonds; will put a tug in the Poyang Lake, and will permit British merchants to go in their own boats wherever their business calls them. Here are three concessions of a value which will be demonstrated before the next revision takes place; more especially the last, which will work powerfully in opening China, to say nothing of the effect likely to follow the proper working of a mine.

† The increased duty on silk will be slightly over I per cent., and while it cannot much affect price in consumption, to assent to it procures several advantages for merchants in China. Duties are reduced on sundry articles; guano and foreign coal are freed from duty; foreign grain may now be re-exported (hitherto forbidden), and that without any duty. Dock stores are to be admitted free of duty, and a revised list of household and ships' stores, free of duty, is to be drawn up; lastly, Wu-hu is to be opened to trade. This last concession is of immense importance, if only for the reason that it makes the Province of Anhui (coloured white in the preceding map), a Treaty-port province, and this opens that province for the circulation of British manufactures, in accordance with the freedom and easy terms assented to in Article III. If the map must be painted blue there will be something lost, but if painted red the gain will be great.

‡ Possessing no coinage (cash excepted), China causes great trouble to foreign merchants in paying duties by calling for payment in a medium which does not really exist; it is therefore of importance to get distinctly stated at each port what relation local sycee bears to the Customs standard, and this is the task that this Article puts on the Superintendent of Customs at each Treaty port. The work will be of difficult performance, but once done, of lasting value. On the other hand, to stop malpractices and secure the return of documents, it is agreed that transit papers shall only be valid for a year, and must be returned within thirteen months from date of issue. This will be no hardship, and will not cramp mercantile operations in any way.

§ The object of this Article is obvious, and needs no explanation.

affecting goods in respect of which duties have been hereby changed; and have appended thereto their seals.*

Done at Peking in quadruplicate, this 23rd day of October, in the year of our Lord 1869.

(L.S.) RUTHERFORD ALCOCK.
(L.S.) [Signatures of Chinese Plenipotentiaries.]

Supplementary Rules and Tariff.

Whereas it is expedient that Supplementary Regulations should be drawn up for the better explanation of the Articles of this Convention, the respective Plenipotentiaries do hereby agree that the appended tariff and Rules—the latter being in ten Articles hereinunder following, shall be equally binding on the Governments and subjects of both countries with the Convention itself.

In witness whereof they hereto affix their seals and signatures.

(L.S.) RUTHERFORD ALCOCK.
(L.S.) [Signatures of Chinese Plenipotentiaries.]

RULE I.

Imports specified, of an unmistakeable foreign origin, to circulate freely in Treaty-port provinces after simultaneous payment of import duty and transit dues.

1. The Convention permits certain specified commodities of foreign origin, viz., cottons, linens, woollen and cotton mixtures, &c., &c., &c., to circulate freely in Treaty-port provinces without further liability to inland dues or charges on payment simultaneously of import duty and transit due at the time of importation. When taken inland by British merchants in person, or by Chinese, the agents of British merchants, or by Chinese purchasers, while the British merchant will be required, as prescribed by the Treaty of Tien-tsin, to travel provided with the usual passport, the commodities aforesaid need not be accompanied by any transit certificate, and may be sold freely and at pleasure, along the road, without being in any place called on to pay further dues, duties, or inland charges. The various Customs stations passed by such commodities will, however, make such examination as is usual, in order to provide against fraudulent substitutions and the transport of prohibited articles.

Other foreign imports or Treaty-port provinces to be accompanied by transit certificates.

Or to pay all inland charges.

2. With the exception of those classes of commodities which are to pay import duty and transit due simultaneously, all other foreign merchandize carried inland will continue to be exempt from all dues, duties, and charges *en route*, provided, having paid full import duty on importation and the tariff transit due when leaving the port to enter the interior, it is found to be accompanied by the ordinary proof of payment of transit due, namely, a transit certificate. Such goods will be liable to all dues, duties, and charges wherever found inland, if unaccompanied by transit certificates. Both British and Chinese merchants will be treated in accordance with the provisions herein set forth.

When both classes of imports travel inland in Treaty-port provinces in company, the former may be without certificates, the latter to be certificated.
Or to pay all inland charges.
And if uncertificated and not reported to be liable to confiscation.

3. When the commodities specified in the first clause of this Rule are carried inland in Treaty-port provinces, by either British or Chinese merchants, and when such commodities are accompanied by other foreign merchandize of the class provided for in the second clause of this Rule, the latter merchandize will be liable to all inland dues, duties, and charges, if not provided with transit certificates. Failure to report the presence of any such uncertificated merchandize, when passing Customs stations, or any attempt to defraud the revenue by carrying native produce in that guise, will subject all the goods of the same description to and seizure confiscation.

Foreign imports of the first class to be certificated when carried to non-Treaty-port provinces.

Transit certificates in Treaty-port, and also in non-Treaty-port, provinces cease to be a protection on the arrival of the goods at the destination specified in the certificate.

4. When commodities of the kinds specified in the first clause of this Rule, and which simultaneously paid import duty and transit due, are to be conveyed by either British or Chinese merchants to non-Treaty-port provinces, transit certificates should be procured from the Customs at the port started from, on the face of which will be distinctly set forth the name of the place for which the said commodities are destined. On their way from the port to the place thus set forth in the certificate, such certificated commodities will be exempt from all liability to inland charges, dues, or duties. But in the event of its being discovered by any Customs station that may make examination, that the merchandize contained in the packages is different from the commodities set forth in the certificate, or that the certificate is for a *less* quantity than it is accompanied by, the goods concerned will be confiscated. On the arrival of such duly certificated commodities at the place set

* Here a real difficulty presents itself. When are the stipulations the revision provides for to take effect? If on ratification by England other States may not accept all, but only some of them, or rather may accept all that China concedes, but to refuse to assent to all that England consents to. It would not do to be dealing with merchants according to two rules, and therefore some method of procuring acceptance by all must be here devised.

forth in the certificate, the certificate will become invalid, and the commodities having arrived at their place of destination, will be liable to whatever inland charges, dues, or duties the locality they are found in collects, and will thenceforth be treated like native produce in the localities concerned.

Rule II.

1. British merchants, whether going in person or sending Chinese agents into the interior for the purchase of native produce, should first obtain from the Customs a blank memorandum. The native produce purchased will be liable to all inland charges, dues, and duties on the way to the port, just like any other Chinese goods in Chinese hands. On the other hand, each Customs station or barrier will be required to certify to the receipt of the amount of dues, duties, or charges there collected, by making an official and duly sealed entry on the face of the blank memorandum. Any sale *in transitu* of the native produce to which the blank memoranda refer, will be punishable in accordance with the regulations.

Native produce to pay all inland charges *en route* to a port.

Receipts to be given for all payments.

2. On the arrival of such native produce at the last barrier, the merchant is to report its arrival to the Commissioner of Customs, and the goods are to await examination. The memorandum brought back from the interior is at the same time to be deposited with the Customs. Should such native produce be exported to a foreign port (Hong Kong excepted) within twelve months from the date of arrival, the exporter will, at the time of exportation, pay the usual export duty; and,—as regards inland charges,—while on the one hand the exporter will be called on to make up the amount by which the sums entered on the memorandum fall short of a Treaty transit-due (half export duty); on the other, the Customs will refund to the exporter the amount by which such sums exceed the Treaty transit-due. Should the produce be shipped for conveyance to a Treaty port, no make-up will be called for, and no refund allowed.

Over payments to be returned, and short payments to be made up, if sent foreign within twelve months.

Rule III.

Foreign goods re-exported to a foreign country within thirty-six months from the date of arrival, if found to be in their original packages, with marks and numbers unchanged, will be entitled to receive the refund of the sum paid as import duty by a drawback, which shall be a valid tender for payment of other duties (tonnage dues excepted). Goods re-exported after the expiration of the said term of thirty-six months shall not be entitled to receive such drawback.

Drawbacks received in payment of other duties.

If re-exported within three months from the date of arrival, a drawback certificate will be issued at the Custom-house, which, on presentation at the Customs Bank will be convertible into cash. Goods re-exported after the expiration of the said term of three months will not be entitled to receive such convertible drawbacks.

Convertible into cash.

Cash, *i.e.*, silver.

As regards native produce, drawbacks for coast-trade duty will continue to be issued when the produce is reshipped within twelve months from the date of arrival. If reshipped after the expiration of that term, native produce will not be entitled to any drawback of coast-trade duty.

Rule IV.

British merchants will be allowed one month's grace for the return of such documents as they may have taken out when going inland (passports, transit passes, &c.) All such documents become invalid on the expiration of twelve months from the date of issue; and, if not returned within thirteen months from that date, the applications of the parties concerned for other documents will not be attended to.

Inland certificates returnable within thirteen months.

Rule V.

At such of the Treaty ports as may be expedient, bonded warehouses will be established, and regulations for their working will be drawn up by the Inspector-General of Customs, and the Superintendent at the port concerned. Where sufficient reasons for the non-establishment of such bonded warehouses exist, they will not be introduced.

Bonded warehouses.

Rule VI.

The Superintendent of Customs at Kiu-kiang will provide a steam-tug for the use of British merchants on the Poyang Lake and between Hankow and Kiu-kiang. The tug in question will be for the towing of British-owned vessels of the Chinese type, and a tariff of fees will be published, in accordance with which merchants whose boats may be towed will pay the Kiu-kiang Customs for that service.

Steam-tug in the Poyang Lake.

Rule VII.

British merchants may use their own vessels going inland, and may rent lodgings, &c.

British merchants who may go inland duly provided with passports, to sell foreign goods, purchase native produce, or carry native produce into the interior for sale, are permitted to use their own vessels, if of the Chinese type and propelled by sail or oar, and, when in the interior, are further permitted to rent for short periods either hotels or private houses, where they may store their goods, but on which they are not to exhibit their hong name or the style of their firm.* Native produce purchased in the interior and entered on the memorandum for conveyance to a port, must not be sold in the interior. In the case of the inns or private houses thus rented from Chinese, the British merchant is not to interfere to protect the landlord from the incidence of the taxes and charges for which his house or property is assessable. The Chinese of the locality must not annoy or maltreat the British merchant, and proclamations setting forth all that precedes have been prepared and will be sent to the Governors-General and Governors of the Provinces for publication everywhere.

As regards vessels of the Chinese type, owned by British merchants and used by them to go to non-Treaty ports, or places in the interior, each such vessel must be registered at the Custom-house, where the Commissioner of Customs will issue a certificate of registration and the flag to be sailed under, the certificate to be countersealed by the Superintendent.† Such vessels must exhibit the flag received from the Customs, and comply with the special rules and regulations drawn up for their management. Any vessel unprovided with a certificate of registration detected in the fraudulent use of a flag resembling the Customs flag, or flying the house flag of any foreign mercantile firm, or having a certificate and flying the flag of any foreign country, will be subject, with her cargo, to confiscation.

Rule VIII.

Three coal mines to be worked experimentally. Kin-yung, Chu-kiang. Lo-ping, Kelung. { Poyang Lake, near the.

The Imperial Commissioner superintending foreign affairs in the South will inquire into the condition of Kin-yung, Lo-ping, and Kelung, and will depute officers to work the mines at those places as an experiment. The question of the employment of foreigners to assist in mining and of using foreign machinery will be left to be given effect to by the Imperial Commissioner. The coals produced will be for sale to British and Chinese merchants without distinction.

Rule IX.

Household } stores. ships' } Revised list of duty-free articles to be published.

The Rules appended to the Tariff attached to the Treaty of Tien-tsin enumerated the articles that are to be admitted free of duty for household use and as ships' stores. A revised list is to be drawn up by the Inspector-General of Customs, and will be hereto appended, of the articles that are thus to be admitted free for the use of British subjects. Should such articles be carried inland they will be dutiable, in accordance with the rule and practice that formerly obtained.

Rule X.

Dock stores to be admitted free of duty. List of articles to be hereto appended.

Docks owned by British merchants will be permitted to import such articles as they require for the repairs of ships free of duty. But on newly-built vessels there will be levied a duty of 5 per cent. *ad valorem*. Before being entitled to the privilege of importing their stores duty-free, such docks must be registered at the Customs, and the owners must enter into such bonds as the Customs in question may consider necessary for the protection of the revenue. A list of the articles to be imported duty-free will be prepared by the Inspector-General of Customs, and appended hereto.

Tariff.

Imports.

		T.	M.	C.	C.
Watches, emaillées à perles	.. Per pair ..	4	5	0	0
„ gold	.. „ ..	1	0	0	0
„ silver	.. „ ..	0	5	0	0
Pepper, white	Per 100 catties ..	0	4	0	0
„ black	.. „ ..	0	2	0	0

* N.B.—I consider this rule to contain a most valuable concession, and that it will, if acted upon judiciously and quietly, secure to merchants all the benefits they look for as likely to accrue from inland residence.

† N.B.—I consider that this rule, if acted on judiciously and quietly, will open all the coast and all the rivers to the enterprise of the British merchant. When China puts a moderate concession on paper, it entirely depends on the foreigner to use it in such a way as to get the most out of it.

		T.	M.	C.	C.
Tin plates	Per 100 catties ..	0	2	0	0
Grain, foreign } Free, whether imported or exported, but to take					
Coal, „ } out permits in accordance with the Customs					
Guano „ } regulations.					
Timber. Reduction to be made after full inquiry at Shanghae.					
Opium	Per 100 catties ..	50	0	0	0
And to be dealt with in accordance with the special rules respecting that drug.					

EXPORTS.

Silk, raw and thrown	Per 100 catties ..	20	0	0	0
„ yellow, from Sze-chuan	„ ..	10	0	0	0
Coal, native (at the southern ports)	„ ..	0	0	0	5
„ (at the northern ports)	„ ..	0	0	4	0

(L.S.) RUTHERFORD ALCOCK.
(L.S.) [Signatures of Chinese Plenipotentiaries.]

Inclosure 2 in No. 152.

Sir R. Alcock to M. de Rehfues

M. le Ministre et cher Doyen, *Peking, October 20, 1869.*

REFERRING to a previous correspondence on the subject of Treaty revision, and more especially to my last letter of December 7, 1868, addressed to M. Vlangaly, as the Doyen at that time, I have now the honour to inform you that the terms of a Convention have been agreed upon after a protracted negotiation, and will shortly be reduced to writing, preparatory to signature.

This Convention will secure all the concessions enumerated in the Report of the Board of Trade under fourteen heads. As a printed copy of this document is already in your hands, I need not recapitulate them here.

Something additional has been conceded on both sides, involving changes in the Tariff on a few articles, and also some modifications in the mode of collecting transit-dues, and in the commercial rules, which can only take effect by common consent.

It follows indeed of necessity, from the most favoured-nation clause in all the Treaties, that no revision can be carried into effect without such general concurrence. Privileges or advantages cannot be unconditional, or without corresponding obligations; and these must be equally binding upon all who share the advantages in accordance with the declared object of such a clause.

For this reason amongst others, Her Majesty's Government would have preferred that no formal revision should take place until the right accrued to the other Treaty Powers, in order that all might enter into the negotiation at one time, and act in concert. The Chinese Government did not concur in this view, however, and it became necessary therefore either to waive all right to claim a revision, or enter singly into the necessary negotiations.

My instructions under these circumstances were to accept what the Chinese Government were willing to concede, though it might be only an instalment, in the hope that better terms may be obtained hereafter, either through the negotiations with which other Powers under their present Treaties will be entitled to open in successive years with the Chinese Government, or from the increasing disposition of the Government and people of China to improve their relations with foreign countries.

Her Majesty's Government have been as unwilling to remain at a standstill as to have recourse to measures of coercion, by the adoption of which the valuable trade with China would be put in jeopardy. It has seemed to them that the most prudent course would be to accept the concessions which have been obtained from the Chinese Government by fair argument and amicable representation, and to wait, as regards all other matters, the development which in the natural course of things may be looked for, and which the experience of late years gives good reason to expect will attend our future trade with China.

Such being the line of policy laid down for my guidance, I have both accepted and made concessions of more or less importance, keeping in view the material condition of the Empire, the actual situation of the Government, and the true interests of both countries. I had already last year announced to Prince Kung that I held nothing was to be gained by negotiating for the exclusive advantage of either nation to the prejudice of the other; and my conviction that the interests of both must be consulted.

I am persuaded that, on no other basis, can permanent relations of amity and commerce be maintained, there must be reciprocity of benefits as well as a spirit of fairness and desire for mutual accord. We may not get all that could be desired by strictly adhering to such a policy, nor obtain the most reasonable concessions even as promptly or as fully as we desire. But such as are obtained will be more willingly upheld by the central Government, and therefore less likely to be evaded by the provincial authorities or rendered nugatory by indirect means. A practical solution of the difficulty created by the persistent exactions of the local authorities, hitherto invested with a perfectly irresponsible power of local taxation, may thus be found when all privileges only to be extorted or maintained by force would fail.

It was not to be expected that China, for the first time in a position to negotiate as an independent and sovereign State, without preface or coercion would be disposed to concede everything and ask for nothing in return, or that the Chinese Government would not desire to avail themselves of the opportunity afforded by a revision to secure some modification of the terms which were originally imposed upon them without any choice on their part.

I think, however, a single enumeration of the concessions made on both sides will show that there is a large balance of advantage in favour of foreign nations and their commerce. I feel sure that many existing articles will be removed by their aid, and increasing facilities afforded for its steady development.

The chief stipulations may be briefly summed up as follows:—

It has been agreed that in all provinces in which there are Treaty ports shall be thrown open to foreign textile fabrics on condition that the payment of the half tariff transit duty shall be made simultaneously with the import duty and not left optional. Whether in foreign or native hands in transit or going into consumption, they will, under this arrangement, be held exempt from all taxation whatsoever, from leking, and every other charge. No transit passes will be required for their protection—their foreign origin, easily ascertained, sufficing to establish immunity. In the other provinces they will have the protection as heretofore in transit to any point of destination designated by a transit certificate.

As regards native produce or merchandize for export to foreign countries, the transit certificate is to be dispensed with, and all inland duties will be paid by natives and foreigners alike without distinction. The several amounts of duties so levied being, however, entered by the officer levying the same at the different barriers or Custom-houses on a blank form, to be supplied in advance to the merchant. The forms so filled are to be given up at the nearest barrier to the port of shipment, and on the owner or shipper applying for a permit of exportation to any foreign port, Hong Kong excepted, any excess over the half tariff duty paid will be refunded at once by the Customs. If less than the amount has been levied, the deficiency will in like manner be made up by the exporter.

In reference to these changes in the present system, some fears have been expressed that means will still be found of surcharging goods or produce entering into foreign trade. Such is the ingenuity and inveterate habit of Chinese officials, it is said, that no efficacious protection can be afforded by this or any other Treaty stipulation against such abuses. The half-Tariff duty will be scrupulously collected at the port of entry, and will be so much added to the exactions hitherto enforced.

I can only say that I myself believe the system now proposed will, in the main, be successful, and greatly check, if not entirely put an end to all such abuses. The Board of Trade, as you will have seen, approve it as perfectly equitable, and in accordacce with what their Lordships believed to have been the intention of the stipulation to which they relate.

There is yet another argument in its favour not be overlooked. By the present arrangements, as above described, the provincial authorities are given what they had not before, a direct interest in the whole of the foreign export trade, inasmuch as they retain in their own hands whatever taxes they levy upon it in transit. If the collective amount of these prove in excess of the half-Tariff duty, the merchant is reimbursed out of the Imperial Customs.

Lastly, the argument of the faithlessness of Chinese authorities to their engagements, and their ingenuity in finding pretexts for extortion, or the arbitrary levy of taxes, if carried to its logical conclusion, would be equally valid against any system that could be devised; and should lead to the total abandonment of all effort to remove what is defective in the existing state of things, or any farther endeavour to relieve foreign trade from the greatest obstacle to its extension and prosperity. The absolute abolition, by Imperial decree, of all inland taxation would be just as valueless on this supposition; some of them would still be assumed to be likely to find means of evading the law and levying taxes.

Immunity from all inland taxation, but more especially the oppressive form it takes in leking duties, often levied within the ports as well as in transit, has long been felt to be the great, if not the only, desideratum in our trade with China. If this can be effected merely by making the payment of the transit commuted duty of 2½ per cent. at the time of importation, instead of a few days or weeks later, never was a great and material advantage gained at smaller cost. Even assuming the attainment of the end to be more problematic than I see reason to believe, what does the merchant risk? Paying a small transit duty at once, which, as a rule, is now paid within a few days or weeks after importation on the great bulk of foreign goods (since these, for the most part, go into the interior under transit certificates, which too often fail in securing the protection they are supposed to purchase), or paying what otherwise might be avoided for goods sold on the spot for local consumption. But, even in this latter case, the foreign merchants would still be largely the gainers if, by the system now contemplating, his goods are relieved from all liability to leking charges, often amounting at Amoy, not to 2½ per cent. *ad valorem*, but to 20, 50, and even 20 per cent., largely enhancing the cost to the native purchaser, and thus restricting; if not altogether arresting, the sale. To emancipate foreign trade from such an incubus as this, our foreign merchant would gladly risk a great deal more than 2½ per cent.; and wisely, too, since such taxation as this must narrow the area of consumption, when it does not destroy the market altogether.

I believe, therefore, that the balance of advantage, viewed from the least favourable point, will still be found largely in favour of a trial; and this is, perhaps, as much as can be secured in the first instance by any Treaty stipulations with a country like China.

All other concessions are, comparatively speaking, unimportant, if this one advantage can be secured, immunity from local and irresponsible taxation, and I think that the arrangements now contemplated offer a fair hope of all foreign textile fabrics, which form the great bulk of the import trade being so emancipated.

Taken in connection with this, however, it was still desirable to facilitate access to inland markets, as well as the means of transport and accommodation for agents and their goods in the interior. This has accordingly been attempted under the following heads:—

1. By securing a right of navigating the inland waters, without limitation as to distance, in foreign-owned vessels of a Chinese type, under Custom-house licenses and regulations,

2. A right of renting, for short but undefined periods, either hotels or private houses, where they might dwell and store their merchandize, though not exhibit their hong name or the style of their firm.

The first of these gives a right of trading along the whole coast between the Treaty ports, under Custom-house licenses and regulations.

I consider that these two privileges, limited as they are, and far removed from steam navigation and right of permanent residence which the merchants demanded, make no inconsiderable advance in opening up the country. If British and other merchants will only act on what they allow quietly and judiciously, as do the Russian merchants in some of the tea districts, giving no trouble to the authorities, and exciting no alarm or hostile feeling among the people, they will have little cause to complain that the privileges fall far short of their wants.

3. The duty has been either entirely remitted or greatly reduced on watches, pepper, tin-plates, timber, coal, both foreign and native, and guano.

4. The right of re-exporting foreign grain has been conceded.

5. A steam-tug is to be placed on the Poyang Lake, for the purpose of towing British-owned vessels on the lake, and between it and Kiu-kiang. This is chiefly valuable, I conceive, as a step towards the general introduction of steam on the inland waters.

6. Bonded warehouses are to be established where they are desired by the majority of merchants.

7. A revised list of duty-free articles for personal consumption is to be made enlarging the scope of the existing rules,

8. Dock stores are to be admitted free.

9. Drawbacks for foreign goods re-exported in any current quarter to be paid in cash; and drawbacks to be given and received in payment of dues at any time within three years of importation.

10. Tea bonds at the river ports are to be provisionally discontinued, as an experiment.

11. The amount of fine to be inflicted for a false manifest is fixed by Treaty at 500 taels. It is is agreed that, in future, the amount shall be determined according to the

special circumstances in each case, the maximum not exceeding 500 taels. A discretionary power thus be given to the Consuls to levy any smaller amount which may be deemed adequate upon enquiry into the merits of each case, the present high rate often defeating the purpose in view, either by being far beyond the means of masters of small vessels to pay, or disproportioned to the offence in view of extenuating circumstances.

12. It is agreed that a Commercial Code shall be drawn up, for acceptance by all foreign Powers, based on European principles.

This I consider chiefly valuable as a first step, rather than for what it immediately secures. From a commercial code, derived from European systems of commercial law, to a civil and criminal code, such as has been long adopted in Turkey in mixed cases, there is but a short step. And this obtained, international Courts for its administration with fixed rules of procedure, such as are now in contemplation for Egypt by common consent, will follow in natural course, and prepare the way for either the modification or total abolition of extra territorial rights in China, and the gradual assimilation of two races in their laws and administration. This will remove, at the same time, one of the greatest obstacles to improved relations with the Chinese Government, and more free access to the interior.

13. Coal-mines are to be opened at Kien-yung, in Che-kiang, Lo-ping, on the Poyang Lake, and Kelung, in Formosa, with an understanding that they shall be efficiently worked, with the aid of foreign skill and machinery.

14. Two new ports are to be opened—Wen-chow, in exchange for Kiung-chow, in Hainan, which has never been thought worth opening; and Wuhu, on the Yang-tsze, between Chin-kiang and Kiu-kiang.

The first is equivalent to subsidizing a line of steamers between Foo-chow and Shanghae, both of which places desire a rapid and regular communication. It will also afford a ready exit for a kind of tea that reaches Foo-chow only after a long, circuitous, and expensive route; and it is the port of a comparatively wealthy and populous district.

The latter port is more especially valuable in connection with the arrangements made for the collection of the transit dues at the port of entry, as it adds the Province of Anhui to the other eight maritime provinces, in which foreign textile fabrics are to pass free without any transit pass.

15. The right of transhipment at Hong Kong for the Chinese ports, so much desired by the British and foreign merchants, has been conceded.

16. A rule has been framed, by which vessels trading to Batavia, Bangkok, Singapore, Malacca, and Penang, will share the privilege of only paying tonnage dues once every four months, now limited to vessels going to Japan, the Amour, Hong Kong, Manilla and Saigon.

17. It is agreed that the Customs shall draw up rules fixing the touch of sycee to be received on the payment of duties, by the bank, at each port, and thus determine in some definite manner, in the absence of coinage, what relation local sycee bears to the Customs standard.

These are the chief concessions on the Chinese side; in return for which, additional rights and privileges beyond what has been secured by any antecedent Treaty, neither few nor unimportant, in my conception, it has been agreed that the following changes of Tariff, &c., shall take place:—

1. An increased rate of duty on opium and silk. On the first an increase from 30 to 50 taels per 100 catties, equivalent to an increase of $2\frac{1}{2}$ per cent. *ad valorem.* On silk, raw and thrown, a duty of 20 taels per 100 catties; on yellow silk from Szechuen 10 taels; making an increase of a little over 1 per cent. on both kinds (say $1\frac{1}{7}$), both still being taxed somewhat under the general scale adopted on the signature of the Treaties, of 5 per cent. *ad valorem.*

In both articles, opium and silk, considering their high value, so small an increase of duty is unlikely to diminish, by a single ounce, or in any sensible degree, the profits of those who deal in them.

2. Passports and transit papers are be valid only for twelve months, and to be returned within thirteen. This merely gives authority for what has already been practised.

3. The right is conceded to China of appointing Consuls in the British dominions.

4. British merchant-vessels shall report to the Customs their port of destination, and shall hand in export manifests when about to clear. The Treaty had not provided for this, and there is no reason for refusing it, as it entails no sacrifice on the merchant.

The principal points of the Convention, to which will be annexed Supplementary Rules and Tariff, as affecting the articles named, either for reduction or increase have now

been passed in review. Considering how much has been conceded by the Chinese and how few and unimportant the changes which they have insisted upon in return, either on grounds of reciprocity, or expediency, I think it is a subject for congratulation that they have been so moderate in their demands, and rested content with so much less than they are well known to desire.

It is very true, that the utmost to be obtained from their concessions falls very far short of the demands and wishes of the Memorialists. Steam navigation on the inland waters, railroads, and telegraphs, rights of domicile inland, and the working of mines by foreigners, have all been refused as impracticable or expedient at present; and Her Majesty's Government have concurred in this view, and withdrawn all demands for any one of them. At the same time several of the concessions made, tend in this direction, and, if used judiciously, will certainly prepare the way, at no distant period, for farther progress. I think that it is from this point of view their value will be most fairly tested.

On the other side, if we bear in mind the undisguised desire of the high authorities and of the whole body of educated Chinese, including the literati and gentry as well as the officials of every grade throughout the provinces for the restriction of foreign intercourses to the sea-board, if not, indeed, to a single port as of old, and the withdrawal of any privileges which would only have been extorted at the cannon's mouth, and by superior force, I think they deserve some credit for their moderation during the present negotiations. The Tsung-li Yamên did not indeed disguise their dislike to all the phases of extra-territoriality, the domiciliation of missionaries in the interior, the importation of opium, and the appointment of merchant Consuls; yet they have not pressed demands on any of these points, or sought to make concessions a condition of revision.

A right to appoint Consuls, which they may be very slow to exercise, and a trifling increase of duties on two articles that may yield them some additional Customs revenue, is about the sum of what they have rested content with. That these are neither unreasonable, nor in any sense inequitable, must, I think, be freely admitted; and I confess to a conviction that few European Governments would have contented themselves with so little in the revision of a Treaty containing much that was objectionable to them, more especially when expected to concede still more to the foreigner's advantage.

I should be glad if you and my other colleagues concur in this view, which, in any case, I felt it to be due to all parties to submit, frankly and freely, for your appreciation.

After devoting the best part of two years to the discussion of the various questions at issue, and the endeavour, by friendly negotiations, to bring the Tsung-li Yamên to see the expediency of changes favourable to the progress of trade and less restricted intercourse, I can only trust that, upon a review of the whole, the balance of advantages will appear to you, and to my other colleagues, such as to recommend the Convention for general acceptance.

You will, no doubt, hear from the Tsung-li Yamên, and be invited to co-operate to that end, as soon as the instrument shall have been signed by the Prince of Kung and myself, it having been agreed that the High Contracting Parties shall mutually invite each of the Treaty Powers to promote, by their adhesion, its being speedily carried into execution.

I avail, &c.
(Signed) RUTHERFORD ALCOCK.

Inclosure 3 in No. 152.

The Tsung-li Yamên to Sir R. Alcock.

(Translation.) *October* 23, 1869.

THE Prince of Kung, Pao, President of the Board of Revenue; Tan, President of the Board of Punishment; Wên, President of the Board of Civil Office; Tung, President of the Board of Revenue; and Chung, President of the Colonial Office make a communication.

It is distinctly stipulated in the XVIth Article that the ratification of Convention this day signed shall be exchanged in Peking.

It is also understood that effect shall not be given to the several Articles except with mutual consent, until a common understanding with the other Treaty Powers has been come to, that their respective subjects in becoming entitled to the rights and advantages therein conceded to British subjects, shall in like manner as these be bound by the conditions thereto attaching. And to promote this end, with the least possible delay, it has been agreed that each of the High Contracting Parties shall communicate the Convention to the other Powers, and invite their adhesion to its terms and conditions.

It is further agreed that, for the present, Article III, stipulating for the compulsory payment of transit dues on certain British products, shall not take effect at the port of New-chwang. It is further agreed that, at the ports of Wên-chow and Wuhu, which are opened to British trade by Articles VI and X, British subjects shall enjoy the same advantages and immunities as they enjoy at the ports already opened to trade.

It is also understood that, in connection with the pilotage arrangements in Article X, China will take such measures as may be necessary for the lighting, buoying, and policing of the coast, rivers and ports, and for the conservation of the same, the tonnage dues being charged with the outlay.

A general statement of such measures, with the amounts expended, will form a part of the returns made public each year by the Inspector-General.

The Chinese Government is declared to have complete jurisdiction along its coasts and rivers, and the British Government will insure due respect on the part of British shipmasters and others to such rules and regulations as shall be found necessary for the effective conservance of the ports and rivers open to trade.

This despatch, supplementing the Convention this day signed by the High Contracting Parties, is addressed on the same day to his Excellency the British Minister.

Inclosure 4 in No. 152.

M. de Rehfues to Sir R. Alcock.

M. le Ministre et cher Collègue, *Péking, ce 25 Octobre, 1869.*

J'Al reçu la note que vous avez bien voulu m'adresser relativement à la conclusion des négociations pour la révision du Traité de Tien-tsin, et je me suis empressé de la porter à la connaissance de nos collègues. Je vous félicite d'avoir enfin mené à bon port ces négociations laborieuses, et je ne doute pas que mon Gouvernement ne prenne un intérêt vif au résultat; mais avant d'adresser à cet égard un rapport circonstancié à Berlin, il faut attendre, ainsi que vous le comprendrez, le moment où je serais mis à même d'examiner le texte même de la Convention signée le 23 courant entre vous et le Gouvernement Chinois.

Je saisis, &c.
(Signé) REHFUES.

Inclosure 5 in No. 152.

Sir R. Alcock to the Prince of Kung.

Sir, *Peking, October 6, 1869.*

I HAVE been instructed to represent to the Government of His Imperial Majesty the expediency of some relaxation of the rules, by which the British merchant is at present prevented from importing salt into China.

The relaxation contemplated is this: that the Chinese Government allow the British merchants to import into the port of Shanghae a limited number of cargoes of salt, say a cargo per month, or twelve cargoes a year, for the period of five years. An import duty would, of course, be levied on the article, and by means of the foreign collectorate the trade could be put upon a satisfactory footing.

It must be well known to your Highness that a supply of good and cheap salt for the people is a most important consideration, second only, indeed, to that of grain, quantities of which China is glad to receive from foreign countries.

Fifteen years ago the import of salt to British India was prohibited, and the salt trade generally in that country was on much the same footing as is that of China. Year after year the restrictions on its import have been gradually removed, and foreign salt is now admitted on payment of a fixed duty like other goods.

The result has been advantageous to Government and people; the salt revenue in India has doubled; the people can get good salt at a cheap rate; the duty is collected in one payment at the port of entry, so that the salt smuggler has ceased to exist. The labourer who produced the native salt, now produces jute for the English market, rice, and a variety of oil-bearing plants, working for a much higher rate of wages than he did previously, and becoming a producer instead of a consumer of food.

I submit the above consideration to your Imperial Highness, and am satisfied that the experiment suggested will be highly advantageous both to the British salt merchants and

to the revenue and people of China, while such an experimental concession would be received with satisfaction by Her Majesty's Government.

I renew, &c.

(Signed) RUTHERFORD ALCOCK.

Inclosure 6 in No. 152.

The Prince of Kung to Sir R. Alcock.

(Translation.)

THE Prince of Kung makes a communication in reply.

On the 6th instant his Highness received a despatch from the British Minister requesting that, as an experiment during five years, one foreign ship per month—during the year twelve in all—might be permitted to bring a cargo of salt to the port of Shanghae, the duties to be charged on the article being made the subject of arrangement between the two Powers, &c.

The Prince has to observe that, with regard to the import of foreign salt, memoranda exchanged while the Treaty was under revision were very explicit as to the impossibility of removing the prohibition; for there is a certain amount of salt produced in China, which is divided into a fixed number of lots; and if in addition to this quantity foreign salt were to be introduced, some of the native article must cease to circulate.

The amount receivable as duty on the foreign salt would not indemnify the losses of the salt gabelle.

Moreover, the (number of) licensed merchants, the number of licenses issued for each locality, and the quantity of salt saleable under these, is by law prescribed. If the native article ceases to circulate in any district, then the permits issued there are brought to no purpose, and the licenses are subjected to very serious losses.

There are hundreds of thousands of the population, too, who make their living out of the salt, being either engaged in its manufacture or in its transport. Simple as the people of China are, these would certainly not submit to be, as the British Minister's despatch suggests, turned into cultivators of jute, abandoning a certain means of livelihood for wages in prospective, nor is there any quantity of vacant ground for them to till.

There is a Treaty provision prohibiting (trade in) salt, and it will be inexpedient to modify the regulations in this respect.

During the course of this present year, an Australian merchant was detected bringing a cargo of salt to Tien-tsin. This case was leniently dealt with, by the confiscation of the salt only; the merchant was not punished, as this was his first visit to China, and he was not familiar with the Treaty. But, for the future, clandestine trade in salt by any and every foreign merchant will be punished as the Treaty requires.

Foreign salt cannot be put on the same footing as foreign grain, as the despatch under acknowledgment suggests.

As in duty bound the Prince addresses his Excellency the British Minister.

A necessary communication.

No. 153.

Earl Granville to Sir R. Alcock.

Sir, *Foreign Office, July* 25, 1870.

THE various communications which, since your return to England, you have had with this Office and the Board of Trade will have prepared you for the announcement that I have now to make to you, that Her Majesty's Government have determined to advise Her Majesty not to ratify the Convention which you concluded with the Chinese Plenipotentaries on the 23rd of October last.

I inclose, for your information, a copy of a letter in which I have made known this decision to the various Mercantile Associations in this country, from whom representations against the Convention were received.

I wish you, however, clearly to understand that although such is the decision of Her Majesty's Government, nothing can be further from their intention than to impute to you any blame for the part you took in the conclusion of the Convention. On the contrary, Her Majesty's Government most highly appreciate and approve your zealous and indefatigable exertions throughout the whole of the long and difficult negotiations which

preceded the signature of the Convention; and Her Majesty's Government much regret that the view taken by the Mercantile Associations in this country, and in China, of the probable benefit of that Convention, if ratified, to the commercial relations between the two countries, has not coincided with the view which Her Majesty's Government had hoped would be taken of it.

I am, &c.
(Signed) GRANVILLE.

Inclosure in No. 153.

Earl Granville to the China Merchants in London and the Associations in the Country who have Memorialized against the Treaty.

Sir, *Foreign Office, July* 25, 1870.

HER Majesty's Government have given their most attentive consideration to the representations that have been made to them by the merchants of London interested in the trade with China, and by different Commercial Associations in this country, and also in China, urging them to advise Her Majesty to withhold her ratification from the Convention signed at Peking on the 23rd of October last by Her Majesty's Plenipotentiary and those of the Emperor of China, and having for its object to improve and extend the commercial relations between the two countries, by securing for them advantages not provided for in the Treaty of Tien-tsin.

Her Majesty's Government have received with much regret this general expression of dissatisfaction with the proposed arrangement. It was hoped that it might secure, at an inconsiderable sacrifice on the part of England, great immediate, and still greater prospective, advantages. It would, in their judgment, have promoted the textile industry of the manufacturing districts by facilitating the importation of its products into the most important provinces of China; and, not to dwell on other minor advantages by which commerce might have eventually been developed, it would have relieved Chinese produce on its way from the interior to British markets from undue exactions on the part of local authorities.

Her Majesty's Government have had to decide whether they should abide by their own impressions, and advise Her Majesty to ratify the Convention, or should defer to the adverse opinion which has been insisted upon by the mercantile community more directly concerned in the question.

Although they are not free from doubt whether the decision which they take is calculated to promote the real interests of the commercial and industrial classes, Her Majesty's Government have, nevertheless, determined to defer to the wishes expressed by the commercial bodies who have so urgently appealed to them, and they have accordingly advised Her Majesty to withold her ratification from the Convention of the 23rd October last; and they will forthwith announce to the Chinese Government, and to the Governments of other Powers having Treaties with China, that the Convention will not be ratified by the Queen.

I am, &c.
(Signed) GRANVILLE.

APPENDIX.

Memorandum by Mr. Wade respecting the Revision of the Treaty of Tien-tsin.

THE Article of the Treaty of 1858 under which its revision is claimed, is the XXVIIth; whereby "it is agreed that either of the High Contracting Parties may demand a farther revision of the Tariff, and of the Commercial Articles of this Treaty, at the end of ten years;" such demand to be made on either side within six months after the end of the first ten years.

The British mercantile communities, called upon by desire of Her Majesty's Minister to state in what particulars modification of the Treaty appears to them to be required in the event of any such revision being demanded, have, as was natural, availed themselves of the opportunity to review the working of it in all its parts, and to suggest such expansion of its conditions, and such additions to these, as they conceive essential to the advancement of commercial interests in China. The Memorials containing the views of the several communities, save where the interests of Amoy seem to clash with those of Hong Kong, are in pretty general accord. The changes proposed in the Tariff and Commercial Articles are comparatively few. The bulk of the observations take the form either of complaints of the non-fulfilment of the Treaty provisions by the Chinese in defiance of the remonstrances of British authority; complaints, consequently, of the insufficiency of the powers vested in the British authority; complaints of the misconstruction of certain parts of the Treaty by the British authority to the prejudice of British interests; and suggestions regarding the introduction of many and vast improvements, moral and material, the adoption of which, beyond all doubt, would be as beneficial to China herself as to any foreigner concerned in her trade, but of which the majority could scarcely be brought within the limits of any imaginable Treaty. They are consequently the last of the matters under consideration to be noticed. For the rest it will be simplest to proceed in the order followed by some of the Memorialists, namely, Article by Article, from the beginning of the Treaty to the end.

The Treaty of Nanking concluded in 1842, which is renewed and confirmed by Article I, is not referred to by any of the Memorialists. I think it is desirable that some of the terms under which it is provided by Article XI of that Treaty that British authorities shall correspond with the Chinese, should be changed. The form, rendered "statement," which is that which subordinate British officers are to use to Chinese officers being their superiors in rank, is unobjectionable; but the term rendered "declaration," by which the Chinese officer, superior in rank, is to address the subordinate British officer, should more properly be translated "orders" or "instructions;" and used, as the Chinese use it to their own subordinates, it is of a more peremptory character than befits the relation of the British official to any Chinese functionary, however exalted his position. That the term was left unnoticed by Lord Elgin is the fault of no one but myself. I entirely overlooked the matter until it was too late. I should now suggest that, where a Chinese commences an official correspondence with a British subordinate, he should employ the words "ch'ên ming," in lieu of the "ch'a hsing" now used; and that when he is replying, he should use "ch'ên fu." But the Chinese Ministers, with whom the British Legation is in correspondence at Peking, may very possibly propose some other combinations as little objectionable as these, and more in accordance with the requirements of Chinese composition; and the decision can be left to whatever interpreter may be charged with the preparation of the revised Chinese text.

Articles II to VI inclusive of the Treaty of Tien-tsin define the position and privileges of the British Minister in China. It is implied by Article III that the Minister shall have access to the Emperor. No audience has, as yet, been conceded to the British Minister; and as but one Memorial, that of the Tien-tsin community, has alluded to the abeyance of this privilege, and then only to express confidence in the judgment of Her Majesty's

Minister with reference to the postponement of its assertion, I shall prefer considering elsewhere the expediency of any immediate negotiation regarding it.

The communities are generally agreed that their interests will be advantaged by frequent, some even urge a periodical, repetition of the Ministerial visit of this year to the ports. I do not go this length. An occasional visit of the Minister to this port or that may, no doubt, be useful in more ways than one. The merits of a case will often be the better understood when a locality has been inspected; the Minister will be in a better position either to support or to control the Consuls subordinate to him; the local mandarins may be not unfrequently stimulated to action by the appearance of a high authority, who will, within a few days, report in person at Peking any slackness with which they may be chargeable. But this last, which, locally, will be looked to as the most important result to be expected of the visit, will soon cease to flow from it, if the visit be periodically repeated; and, to go further, it is, in my opinion, an undoing at one end of the line the effect we are seeking to produce at the other,—I mean the effect of the Minister's presence at the capital, the object of which is to prevent the Central Government ignoring its responsibility. If the mandarins at the ports are periodically, or even frequently, to be awed or concussed by a foreign Minister into this or that course of action in person, the Yamên of Foreign Affairs at Peking, though it may secretly rejoice at any step that diminishes the chances of a conflict between itself and the provincial authority, will not the less conceive itself slighted, and will be quick enough to remark that, if the Minister's visit is to settle questions at the ports, there can be little use in discussing them at Peking. In my opinion the Minister's visit to the ports should be a rare occurrence, and his communications with local authorities, no matter how high their grade, confined to an interchange of courtesies, or, at the most, to conversation on general policy. I believe that this would at the same time be found the course best calculated to give weight to the position of the Consul himself. While I should deprecate extremely the delegation to that officer of such power as some of the Memorialists, the Hong Kong Chamber of Commerce for instance, are desirous he should possess, I would have him regarded by the local authorities as fully competent to the settlement of all matters presenting themselves within his jurisdiction without the apparition of a *deus ex machinâ*. This can be only effected by an untiring endeavour to keep the Yamên of Foreign Affairs from forgetting that the solution of questions referred to it by the foreign Minister is the Empire's sole guarantee against foreign wars. I shall be told very probably that appeal to the Yamên has not, so far, been found to produce very noteworthy results. My reply is that the Yamên, which, in foreign affairs, represents the Central Government, was established only at the beginning of the year 1861, and that, considering the antecedents of Chinese conservatism, and the present condition of the Empire, the minority of the Sovereign, and the disorder of the provinces, it is not surprising that the Yamên has not made more way with its new lesson. To this it will be rejoined that I prove a case for those who see no remedy for local grievances except in local pressure; but it must be borne in mind that it is precisely by this local pressure that our wars and quasi-wars with China have been occasioned, and that it was simply because we were weary of this system of armed dictation, fitfully and, at times, questionably resorted to, that we established a Minister at Peking. I know no proposition that would more accurately describe the end of Lord Elgin's mission than that we were resolved to have no more "Lorcha Arrow" affairs,—no more affairs, that is, in which, being practically without a means of fastening the responsibility of an act upon the Government of China, we should hold ourselves compelled to retaliate upon the local agent directly chargeable with the act complained of. I am satisfied that we cannot make the old course and the new available together; and, as a consistent advocate of the latter, I view, I confess, with much jealousy any suggestion savouring of a desire to return to that which it has supplanted.

Under Article VIII it is engaged that teachers or professors of Christianity are to be protected. Some of the Memorialists propose that Protestant missionaries should be authorized to live in the interior, to hold property, to rent and purchase land, to erect buildings, and to pursue their avocations without limit of distance and without hindrance. To the pursuit of their avocations at or near the ports, or their journeying into the interior with a passport, there has not been, so far as I am aware, any opposition offered to Protestant missionaries; but residence inland is a very different question. Romish missionaries do reside in all parts of the interior, and have had trouble enough in particular localities. The claim of residence now advanced by and on behalf of their Protestant brethren is based entirely upon a passage in the Chinese text of the French Treaty, for which the French text has no equivalent: there are despatches on record both from Sir Frederick Bruce and myself upon this subject. I shall come again to the claim of British subjects in general to establish themselves in the interior of China; if this privilege be conceded to the merchant,

it will of course accrue equally to the missionary; but I believe their cause will, for a time, be better without it, and I am entirely opposed to any privilege being conceded distinctively to the missionary body. Lord Elgin had serious doubts about the expediency of inserting an Article upon the subject of the Christian religion at all in the Treaty: his belief, if I am not mistaken, being that while the enforcement of Treaty stipulations affecting the propagation of Christianity was offensive to our own feelings, and outraging to the feelings of any nation which might be compelled to accept such conditions, the cause of Christianity itself could be advanced by nothing so little as political support.

I remember that, in a conversation with Sir Frederick Bruce, in the second year of our residence at Peking, a Romish father, long resident in the country, admitted of his own accord that the personal position of Romish priests in China was anything but ameliorated by the support they now received from the French Government. The comparatively amicable relations which had previously existed between the missionary and the mandarin had been disturbed; the mandarins and men of the lettered class who had been formerly friendly, stood aloof. As might have been expected, the superior missionaries of Rome were not slow to arrogate to themselves a somewhat mandarinic position, and this arrogation had been seriously resented by the highest authorities, with whom they sought to place themselves on a level; but this is but one among many causes of irritation.

I should mention that at Foochow there have been on one or more occasion instances of attack upon Protestant missionary chapels; and in Formosa, very recently, a local population resisted the establishment of even a Medical Mission, in general a very popular institution; but this was due to certain superstitious beliefs that the corpses of patients were to be mutilated to supply ingredients for charms and medicines, and to the imprudence of the missionaries concerned, who had neglected to observe the precautions urged upon them by the British Consul.

In each of these cases, be it observed, what was done took place at a port, within ken of a Consular authority, and within possible reach, had need been for appeal to it, of the assistance of a man-of-war. I am as averse as any one can be to the old expedient of placing matters in the hands of a naval officer—to violence in short of all kinds; but I feel, for all that, that the time is not come for isolating communities or individuals, merchant or missionary, beyond the reach of protection and control. There is, indeed, more to be said against such isolation at this moment than there would have been twenty years ago, had we then had the Treaty right it is now proposed we should acquire; for the minority of the sovereign keeps the Central Government weak, while the disorder of the empire is such as to demand a stronger hand than any that has ruled it since the beginning of the century. Protestant missionaries do, as I have said, journey through the land unmolested. I have not heard of any one of them, armed with a passport being interfered with on his travels, and I have known of some who, if not permanently established, have resided for considerable periods at one point or other inland, unharmed. But all have not been equally fortunate. In Che-kiang and Kwang Tung, missionaries who have fixed themselves at some distance from the ports, have been in more than one instance exposed to considerable danger; and while this Memorandum has been in course of preparation, news have been received of a very ferocious attack on a Medical Mission in or near Yang-chow, a large city of Kiang Su, a province of which the population is reputed anything but prone to violence.

The outrage is set down to a superstitious alarm of the same character as that believed to have proved fatal to a similar enterprise in Formosa: but at Yang-chow, the people concerned are furthermore stated to have been excited by a retired official living in the neighbourhood of the city, and formerly the holder of a high provincial appointment in Canton. This may be all talk, but it is as probably all true, and the incident well deserves attention at a time that the expediency of demanding the right of permanent residence inland is about to be considered. A number of Englishmen and Englishwomen, engaged in a work of which the Chinese have in general shown due appreciation, have been compelled to fly for their lives; we shall in all probability never hear the whole of the truth, and we shall have great difficulty in obtaining satisfactory reparation; for reparation to be satisfactory must, in my opinion, be such as will carry with it some security for the future. The Chinese will be certain to impute to the missionaries either great indiscretion, of which they may not impossibly have been guilty, or they may impute graver matter than indiscretion, for which there will be no sort of foundation; and whether it be ascertained that the people rose against the mission of their own motion, or, which is more likely, at the instance of persons of influence, adjustment of the quarrel, locally, may be perfectly impracticable, while, if the case be referred to Peking, the Central Government, although it may be got to authorize payment of an indemnity at Shanghae, or some other port where it has foreign revenue, will find it to the full as hard to deal *legally* with the case

as it has ere now been found so to deal in our own country with offenders whose acts were but the expression of a feeling generally entertained. And that those who form and guide public opinion in China are opposed to the residence of the foreigner, and especially of the missionary, in the interior, is the strong argument against over-eagerness for the concession. It will be desirable only when the antagonism of the influential class now hostile to it shall have abated. We are generally prone, and the missionaries certainly not less prone than any one else, to forget that the footing we have in China has been obtained by force alone, and that, unwarlike and unenergetic as we hold the Chinese to be, it is, in reality, to the fear of force alone, that we are indebted for the safety we enjoy at certain points accessible to our force. When our recollection of this condition is awakened by strong startling evidence of hostile feeling, there is a loud clamour for measures of coercion, the end of which no man can see, and almost before action is taken, certainly before it can have borne fruit, it is as loudly asserted that with a little more patience there need have been no resort to coercion at all. No one at the same time is ever disposed to surrender what has been gained. Yet nothing that has been gained, it must be remembered, was received from the free-will of the Chinese; more the concessions made to us have been, from first to last, extorted against the conscience of the nation; in defiance, that is to say, of the moral convictions of its educated men; not merely of the office-holders whom we call mandarins, and who are numerically but a small proportion of the educated class, but of the millions who are saturated with a knowledge of the history and philosophy of their country. To these, as a rule, the very extension of our trade must appear politically, or what is in China the same thing, morally, wrong; and the story of foreign intercourse during the last thirty years, can have had no effect but to confirm them in their opinion. Chinese of the lettered class holding other opinions even about foreign trade, or who have begun to appreciate the material civilization of the foreigner, are as yet but a small minority. But to one and all of the class, the appearance in China of Christian missionaries backed by the power or prestige of their respective Governments, must be simply as offensive as an invasion, similarly supported, of Buddhist or Confucian teachers would be to ourselves; and we must be prepared for their determined opposition, secret or overt, as opportunity may present itself. The propagation of a strange faith with pretensions as lofty as those of ours, would of itself suffice to excite their hostility, and it will not be the less easily provoked where the obnoxious doctrine is found to bring in its train interminable discussions regarding land sales, charitable bequests, suits between converts, inteference on behalf of converts against their relatives or against their authorities, and the like incidents. From embarrassment of this kind the Romish missions, long scattered throughout China, but without material protection before the year 1860, would appear since that year never to have been free.

I am not reflecting upon Romish missions in a sectarian spirit. I am simply stating what I know to be a grievous burden laid upon the French Government by its acceptance of the responsibility of upholding them in what I conceive a false position for any teachers of religion. And I would speak of Protestant missionaries with all the respect they deserve. I sincerely believe that they do their best; and that amongst the lower orders, the only class to which they have a chance of preaching, their efforts are attended with a certain success; they do not, as a rule, lay claim to a large number of proselytes. But to accomplish what I presume the mission-supporting public of England and America propose, as the ultimate object of their operations, the civilization which is to me synonymous with the Christianization of China, their ranks must, in my opinion, be more ably manned, and they must adopt another plan of campaign. The educated class must be taken in reverse.

Missionaries must be sent out, not necessarily clergymen, be it of this sect or of that, but men competent and willing to attempt the re-education of the lettered Chinese, whose pride that they have learned so much, no less than their belief that nothing out of their own course can be worth learning, is the grand obstacle to progress of all kinds. This will not be achieved by preaching. The foreign preacher, though he speak like a native, as yet the gift of few, if of any, will for long have no chance of impressing the lettered men, as a class, from his pulpit; for they will never enter his chapel; nor will they be interested by his works upon spiritual subjects, even when written in a far better Chinese than we can now command; for, except so far as their hostility is provoked by the rival pretensions of the stranger's doctrine, they are indifferent to spiritual questions. But the distribution of useful knowledge, especially in the departments of commerce and politics, if discreetly conducted, would go far towards breaking through the academical conceit in which their minds are now entrenched; and this once even partially broken through, a hearing would be obtained on other matters, and in a few years a new school of thought would be created. If there were not then, as very possibly there would not be, a sponta-

neous movement towards spiritual knowledge, there would at least be less of bigoted antagonism to its propagation. Its teachers would at least have gained a chance of influencing, orally or otherwise, the influential class of the native community; and this, once favourably effected, would be speedily followed by the multitude.

In a word, while I am as confident as any missionary in the ultimate results of religious teaching, once it is listened to, I feel little less sure that before those of the nation to enlist whom on our side is to enlist all, can be brought to give ear to such instruction, they will need an intellectual apprenticeship; an education in secular things that must be insinuated into their intelligence, without being bluntly obtruded upon their prejudices. Thus, I say, in a few years there would be created a new school of thought. But to undertake such an education, we require agents of far greater endowments and more careful intellectual training than are to be found in most members of the missionary body with whom I am acquainted; agents of greater patience withal, content to begin much of which they cannot hope to see the accomplishment. Their very weapons the works which shall place the two languages within comparatively easy range of each other, are almost all to make, and will demand learning and ingenuity as great as our universities can supply.

The missionaries with whom I have communicated on the subject, give no encouragement to my scheme. Even to those who admit, which all do not, that the missionary power of preaching and translation is far short of what it should be, my recommendation, that until this work can be executed more competently, it were better, in a country like China, abstained from, appears irreligious. They are consequently unable to support it to the mission societies whom they represent, and these bodies will too probably continue as heretofore to send to China men, at the best, of average ability or culture, to face an intellectual labour as serious as ever taxed the qualifications of a scholar.

I should not, of my own motion, have dragged the missionary question into this Memorandum, but in the Memorials affecting it Her Majesty's Government is invited to accept in the assumed interest of the missionary cause a serious addition to its present responsibilities. Having been obliged to notice the subject, I have endeavoured to speak with moderation of the defects wich I conceive to characterize the system now in vogue. I will but add that, were that system reorganized as I desire, were the societies who send forth missions brought to see to how great extent, in the end, their proposed objects could be advanced by the means I have suggested, the missionary, instead of being as he now is, one of the many difficulties in the way of the foreign political agent, would become his most important auxiliary. These means will not be recommended to the home public by any missionary now in China, and I should therefore rejoice if, in view of the political significance of their adoption, their advocacy were undertaken by some one of greater weight than myself. The question of propagandism is one with which it is not our usage to meddle officially, but the opinion of Her Majesty's Government on a given mode of action could not, I imagine, be otherwise than respectfully considered by the societies who have engaged in the Christianization of China.

Article IX.—It is complained that the authority to travel by passport guaranteed under this Article is unknown in several parts of the country, and the importance of promulgating it, is much insisted on. I am quite of opinion that the Treaty cannot be promulgated too frequently or too extensively; but I am bound to say that I have heard of no case in which a foreign traveller has been debarred, through ignorance of the Treaty on the part of either the authorities or people of any district, from proceeding in any direction to which he was authorized to proceed by the passport. Lord Elgin's proclamation of November 1860 had hardly been issued when three gentlemen started from Canton for Hankow, and traversed without difficulty some of the most unquiet parts in China. The same country has been crossed, though by a different route, very recently by an American geologist; and except where his researches alarmed the superstitious fears of the people, his narrative recorded no danger of interruption whatever. In the neighbourhood of Peking, the members of the Legation and missionaries, both British and American, have travelled in every direction, east and west, and except at the passes in the Great Wall I have never heard of their having been even momentarily detained. Through these same passes numbers have gone and returned without any hindrance whatever. The Romish missionaries wear the Chinese dress, but the travellers to whom I have been referring have all appeared in the costume of their own countries; and although their appearance in a foreign dress was a new and probably an alarming incident to many thousands of Chinese, I have scarcely ever heard of any attempt to molest them, except in one or two instances in which they were supposed to be in the service of the rebel bands.

In the Province of Manchuria, it is true, passports taken out for business have been more than once ignored by the local Government, with the less excuse that there are few

if any transit barriers in the province. I shall have to return to the matter in my observations on Article XXVIII.

Article X relates to the three new ports on the river Yang-tsze-kiang. It is proposed by some of the Memorialists that the whole shore of this river, from its mouth to Hankow, should be opened to steamers, and that for the more speedy carriage of produce from the tea-grounds near the Poyang Lake to the port of Kiu-kiang it should be lawful for steam tugs to ply to certain points upon the shores of that lake. The Hong Kong community desire to see the Canton river similarly opened, I presume in the direction of Kwang Si.

I am of opinion that we may fairly urge the Chinese to allow us to trade with steamers to any point or points along these waters at which we are prepared to station a *bonâ fide* Consular authority. The officer appointed need not be of very high rank, but it is essential that the foreigner should believe himself to be under the eye of authority, and that in the event of misunderstanding we should have a person at hand competent to report on the subject. I think the address of the merchants of Kiu-kiang, presented to Sir Rutherford Alcock, which forms inclosure 2 in his despatch of the 10th June, 1867, is a remarkably reasonable document.

The merchants of Hankow request the abolition of the obligation they are now under to give bonds for coast-trade duty on tea carried to Shanghae, at which latter port they would also prefer to have the duty collected. Sir Rutherford Alcock's Circular of February 17, 1868, shows that the bonds were adopted for the merchants' convenience, and cannot be easily dispensed with.

The Chin-kiang Memorial complains that the right to purchase land upon the north bank of the river has been ignored, and that money has been expended in purchases of land which the purchasers are not allowed to occupy, the said purshases having been attested by documents to which the Acting Consul had put his seal. There can be no doubt that the occupation of the north bank of the river was never contemplated at the time the Treaty was signed. In the great confusion which prevailed during the first two or three years after we had opened the port of Chin-kiang to trade, in fact, up to the time that Nanking was abandoned by the rebels in 1865, it may be imagined that many transactions were irregularly conducted; but I think that, if the Chinese authorities continue to object to the formation of a foreign settlement upon the north bank of the river,—and it is probable they will, for the land is not in the jurisdiction of Chin-kiang,—they should be called upon to recover, on behalf of British purchasers, any money such purchasers can prove they have paid to Chinese proprietors.

Article XI is that by which our trade was extended from the five ports originally opened by the Treaty of Nanking to several other ports. The right acquired by the Americans to trade to Tamsuy in Formosa, and by the French to trade at Nanking, of course accrues to us. The latter city is hardly yet in a condition to assert itself as a port of trade; and the camphor trade of the former has been much interfered with by Government monopoly. This monopoly has formed the subject of remonstrance on more than one occasion with the Central Government, and it is expedient that its abolition should be insisted upon on the ground that it exists in contravention of Article V of the Treaty of 1842. The local interference with the rice trade is equally unjustifiable.

The Hong Kong community complain that the ports of Chao-chow and Kiung-chow, the latter being the capital of the Island of Hainan, are still closed: and that the Hong Kong trade with Hainan is blighted because the Custom-house of Canton obliges vessels bound to Hainan to clear at Canton. "The west coast of the Canton Province," observes the Memorial, "extending from Macao to Hainan, affords promise of being connected with the Colony of Hong Kong by a traffic which, if fostered, may, in course of time, attain to considerable proportions." It also suggests the appointment of a Consular Agent at Hainan. I am strongly in favour of this proposition. The opening of the port at Kiung-chow, while it gives us another centre for the distribution of our manufactures, adds a field for the employment of British shipping, home and colonial. It is at the same time an important step towards the regularization of a large traffic which must now be for the most part contraband.

The Amoy community would open Wenchow, a port lying about midway between Foo-chow and Ningpo; they complain that at present their trade is interfered with by native-owned lorchas from Hong Kong, which, under the native system, bring little or nothing to the Imperial revenue. They go further and extend this proposition to all ports on the Chinese coast as subsidiary to the Treaty ports now open; they would have ships proceeding to such new ports deposit their papers at the Treaty ports, give bonds, take out special permits, and effect their clearances at the Treaty port of entry, and then proceed to the port of debarcation. Here again I am entirely in favour of opening ports

to shipping at any points at which we are prepared to place a *bonâ fide* Consular authority; and, unless I am much mistaken, this condition assured, the Central Government will be found as ready as ourselves to open these ports. It is fast learning the value of assured sources of maritime revenue.

The next Article, Article XII, provides that British subjects, whether at the ports or at other places, desiring to build or open houses, warehouses, &c., should make their agreements for the land or buildings they require at the rates prevailing among the people, equitably and without exaction on either side. The words "other places" are held by a large proportion of British subjects, if not by the entire community, to concede them the right to establish themselves in the interior just as they do at the ports. I am myself responsible for the suggestion that these words should be inserted, and I admit that some other form of expression might have been chosen which would have more exactly defined the privilege it was in contemplation to obtain. The words used have been misunderstood.

By the Treaty of 1842, Article II, it was agreed that British subjects, with their families and establishments, should be allowed to reside, for the purpose of carrying on their mercantile pursuits without molestation or restraint, at the cities and towns therein enumerated. It was subsequently agreed that at these new ports a certain piece of ground should be set apart for the establishment of foreign factories and similar buildings.

It was found, however, that at Canton, where the whole of the residences heretofore occupied by foreigners were the property of the Hongists, the influence of these proprietors with the people and authorities was such that it became impossible for a foreigner to acquire premises even of the most humble description, beyond the limits of the portion known as "the foreign factories," offer what terms he might.

At Whampoa, the real port of Canton, some twelve miles below that city, merchants had more than once attempted to obtain a building site for warehouses, a convenience which would of course have greatly facilitated the despatch of trading vessels; and the British Government during some ten years, had endeavoured to negotiate the lease or sale of a small plot of ground on which to build an office for the Vice-Consul, whose presence was required to control the crews of the merchant shipping, frequently from 4,000 to 5,000 men. The most determined opposition was offered in both instances by the local Government.

At Amoy a large piece of ground was nominally set apart for the foreigner, but its occupation was indefinitely postponed; and the migration of some foreign residents to the island, long in possession of our troops, which lies over against the town of Amoy, was stoutly protested against by the authorities, though in this instance without effect.

At Foochow and Ningpo similar difficulties were raised; and even so late as the year 1856, at a moment when we flattered ourselves that we had at Shanghae a mandarin more than usually practicable, we were refused permission formally to acquire building sites at Woosung, some ten miles below Shanghae, and at the mouth of the river on which that city stands, on the ground that Woosung was not in the port of Shanghae.

It was to meet objections of this kind, which were at once frivolous and vexatious, that I suggested the insertion of a phrase to supplement the word "port," which events had shown to be not sufficiently comprehensive. This is the history of the employment of the words "other places;" and if other argument were wanting to meet the inference that they were manifestly intended to include the privilege of residence in the interior, I should appeal to the limitations of the passport privilege as defined in Article IX.

The Shanghae community contend, that without the right to reside in the interior there can be no protection against excessive taxation of imports and exports *in transitu*. The Hankow Memorial insists on the advantages enjoyed by Russian firms from their position in the interior; and Messrs. Jardine, Matheson, and Co., would have foreigners open "hongs," but not shops.

I am satisfied, as I have stated, that we do not possess the privilege here claimed by Treaty, and I am decidedly against any sweeping demand with reference to it; I cannot certainly go the length of the Shanghae community, who have requested concession within a fixed radius of perhaps 200 miles, from some or all of the Treaty ports. I do not say this out of mere deference to Chinese prejudice, or a more respectable feeling on the part of the Chinese, which we may be sure will be entirely opposed to our proposition; but I think we are bound to remember that whatever we obtain for ourselves in China, other nationalities must equally obtain; and that so long as we are compelled by the inferior civilization of China to exterritorialize our subjects within her dominions, we are bound to ask nothing from her except when we see our way to a fair provision for the control of the exterritorialized foreigner. I shall have by-and-by to argue the question more fully, so I will here but repeat that I am against the establishment of foreign communities, except

at certain important centres in the interior, and only at these, provided that, as at any new settlement on the coast, we are prepared to appoint a *bonâ fide* Consular authority.

The addition such appointments would occasion to our already large Consular establishment in China, may appear at first sight to Her Majesty's Government a sufficient reason for declining to entertain the proposition; but it is unquestionable that our trade increases with the multiplication of commercial centres. The Treaty of 1858 has in reality been in operation only since the close of the year 1860; yet it is shown by the Hong Kong Chamber of Commerce, that in the ten years ending with 1866, trade has increased at Hong Kong from less than a million sterling to two and a half millions, and at Shanghae from less than a million to four and a quarter millions, making a total increase of five and a half millions; and this, notwithstanding the deplorable condition of the country. I attribute this vast increase to the fact that we have now more than twice the number of points of access for our steamers than formerly; and it will not, I think, be disputed that the improvement of our trade is a fair set-off against the augmentation of our Consular establishment, the estimate for which, under the new régime, was, if I remember rightly, but 14,000*l.* a year in excess of the old. I should prefer however that, in the first instance, the inland centres selected as Consular stations should, if any, be few; and that the Chinese Government should rather be pressed to open its coast than to make concessions touching residence in the interior. Wherever a port is opened the comparative security of its foreign inhabitants is insured by the coming and going of steamers, its trade is regularized by being placed under the foreign Customs establishment, and our manufactures are of course distributed to a larger number of markets with greater certainty and rapidity than while their carriage is dependent upon the wretched *cabotage* of the Chinese. It is urged that even when we are established in the interior, our imports and exports can only be protected against excessive taxation *in transitu*, by being carried in foreign-owned steam cargo-boats. I see very great objection to this; but I shall have to notice the point at length when I come to Article XXVIII. It should be borne in mind that with the passport in his hand it is perfectly competent for a British subject to establish himself for months in the house of his native constituent at any inland centre, and this I suspect is the course pursued by the Russian merchants to whom the Hankow Memorial refers. I think it also probable that the Russian merchant is his own interpreter, and not, like almost every other foreigner in China, at the mercy of his compradore or other individual.

The Tien-tsin Memorial would open to foreign intercourse not only China Proper but all that part of the Empire which is described as extra-provincial, including Eastern Turkestan, Mongolia, and Kirin. In such portion of Kirin as the Russian Treaty of 1860 left to China, we find, I believe, no difficulty in travelling under passport; but I know nothing in the state of the country or the prospects of its trade that would justify us in pressing for a right to reside in it, or in Mongolia. East Turkestan is scarcely at this moment in the hands of the Chinese Government; a Mahometan insurrection has disturbed it and the North-West Provinces of China for at least the last four years. In the year 1865 there was a massacre of the Chinese authorities in that region; a Mahometan chief now rules there, and it will be long ere it reverts to China again.

The same Memorial would open Peking to foreign trade. The proposal would be an unquestionably offensive one to the Chinese Government, and, if agreed to, of no value to the foreigner. The foreign community is gradually diminishing even at the port of import, Tien-tsin, and at Peking it is scarcely possible that any one above the class of a shopkeeper could drive a trade, nor could he without abolition of the metropolitan octroi, the surrender of which in the present time of impecuniosity we could hardly look for.

Articles XV to XVIII inclusive relate to the administration of justice on both sides and to the protection of British subjects by the Chinese authorities. It is complained that the Chinese are singularly apathetic when appealed to, and that whether in civil or criminal suits, they are slow to render justice to the foreigner; while, on the other hand, the Chinese do not obtain substantial justice in a foreign Court.

Article XV secures to the British authority exclusive jurisdiction in all questions arising between British subjects. Of this, naturally, no modification has been proposed. But in Articles XVI and XVII there is, in the opinion of the Shanghae Chamber of Commerce, a distinction implied between civil and criminal jurisdiction in mixed cases, which, if rightly interpreted, would greatly strengthen the Consul in civil suits. In order to the more satisfactory adjudication of these, the Chamber suggests the constitution of a joint tribunal, such as it conceives was contemplated by the negotiator of the Treaty of Tien-tsin,—a Court that shall base its decisions upon the broad principles of justice, and which, instead of leaving the decision entirely with a Chinese magistrate guided by Chinese law, shall afford scope for the exercise, on the part of the foreign assessor, of that autho-

ritative action which alone, in the belief of the Chamber, can afford a hope that justice will be satisfied.

A tribunal such as that above described, unless I greatly misapprehend the meaning of the Memorialists, would be simply one in which the law of the British plaintiff is to rule; effect being given to the award, should it be in the plaintiff's favour, by the action of the Consul, whether his Chinese assessor approved his decision or not. No such jurisdiction, I can affirm, ever presented itself to the mind of Lord Elgin. The constitution of joint tribunals, in which the Consul and the Chinese authority might sit as assessors, was fully sanctioned by the old Supplementary Treaty, and at Shanghae (if not elsewhere), when Sir Rutherford Alcock was Consul, the attempt was occasionally made to investigate cases conjointly, whether in both civil and criminal cases I do not now remember. The result I know was not satisfactory. In their then temper there was a tendency on the part of the Chinese to show their hostility and contempt on such occasions, and the means which they consider indispensable to the extraction of testimony from a witness are to our notions revolting. Until the whole civilization of China is improved we can look for no marked improvement in the forms of her judicial procedure; but in this, as in other departments in which we are interested, we can do much towards her education, and in no way more surely than by encouraging her authorities in the direction in which of late they have been showing some desire to move,—than by inviting them, I mean, to share with us, as they have under Treaty the right to share, the jurisdiction which, in practice, we have been pretty generally accustomed to arrogate exclusively to ourselves. I do not say that this arrogation has been culpable; it is explained and excused by our experience of the unsatisfactoriness of the joint process, as we had tried it in past times, and it was this experience which suggested the wording of Article XVII, which provides that the Consul shall do his utmost, when a complaint comes before him, to promote its amicable adjustment. But the Article no less provides that, his efforts as a mediator failing of success, "he shall request the assistance of the Chinese authorities, that they may together examine into the merits of the case, and decide it equitably." In the opinion of the Shanghae Chamber, the spirit of the Article is more closely observed when the Consul, having investigated the charge, sends his decision to the native authorities with a request that it may be enforced. I cannot admit that such a practice would be authorized by the Article, and I should be much astonished if, as a rule, the Chinese authority did not either contest the validity of a decision so communicated to him, or, if he went through the form of admitting this, did not evade its enforcement.

On a recent occasion, when an important case was tried before the Supreme Court at Shanghae, the plaintiff being a Chinese, the Taoutae considered himself aggrieved because he had not been called on to sit as an assessor. The Consul-General of France observed to Mr. Winchester *à propos* of this case, that in his (the French) Court the Taoutae would have been so called upon. This case was closed by a compromise; but in another more recent case in which a fraud unprecedented in the annals of the China trade was established at Hankow against a bankrupt, who, notwithstanding, received his discharge, the dissatisfaction of the Chinese people and authorities was, with reason, far greater. I repeat that I am strongly for a resuscitation of the principle of common action in mixed cases, as provided for in Article XVII; and this not only on the higher ground that it will contribute with other causes to the civilization of China, but because where proceedings have been had openly before the authorities of the two nations, the chances of an appeal to Peking, with all its contingent delay and inconvenience, is very greatly diminished; while, where appeal becomes necessary, both the Minister and the Yamên proceed more securely with evidence before them that can be gainsaid on neither side.

The Mixed Court at Shanghae was introduced during the Consulship of Sir Harry Parkes, and does him, in my opinion, much credit as its originator. Though it as yet goes but half-way, it is unquestionably a step towards a more exact fulfilment of the conditions of Article XVII. It has been, so far, but a subordinate department of the District Magistracy, and has taken cognizance of none but cases in which the foreigner was plaintiff. Since the establishment of the Supreme Court, it has been possible, at Shanghae, to sue a British subject before no one but an officer of the Supreme Court. By the appointment of an officer of a certain rank as the special chief of the Mixed Court, the Central Government of China has now improved its respectability and effectiveness, and if, as I trust it may have, it has power to try any mixed case, civil or criminal, without reference to the nationality of the party sued, it will very shortly supply us with a model to be copied or improved on at the larger ports, at which, I agree with the Shanghae Chamber, it is desirable that similar Courts should be instituted. But it must never be forgotten that, call the Court what we will, the term "Mixed" merely indicates the fact that the parties are of different nationalties. The nationality of the

defendant is what really determines the nationality of the officer adjudicating. The officer of the nationality of the plaintiff is not properly an assessor further than that by him the witnesses of his own nationality are brought into Court, and that through him they are examined. Practically, the foreign assessor will always act, in Court, pretty much as a judge; it is he who will really conduct the investigation; but he can clearly administer no law but his own. He is present, though on the bench, as a Chinese official would be were the plaintiff a Chinese in a Consular Court, to protect the interests of his own countryman.

I think the suggestions of the Shanghae Chamber regarding the constitution of a separate Mixed Court at the larger ports, its division into an upper and lower jurisdiction, and the limitation of the powers of the latter, deserving of attention; but it will be, in my judgment, most desirable that the British community should understand throughout China, that however unsatisfactory we may deem the Chinese rules of commercial usage which we are perhaps right in refusing to designate law, the plan that the British subject, if a defendant, is bound to stand or fall by British law, will not be held to justify us in demanding a decision in accordance with British law, where a Chinese is the defendant.

The rules agreed to by the Prince of Kung and myself, when I was in charge of the Legation, have brought the matter of confiscation by the Customs to a certain extent within the range of a common jurisdiction. I shall, therefore, here anticipate most of the observations which, in the order I had prescribed myself, should properly have been made further on.

It is provided by Article XLVI, that the Chinese authorities at each port shall adopt the means they may judge most proper to prevent the revenue suffering from fraud or smuggling. The Shanghae Chamber complains that a too harsh construction is occasionally put on the word "smuggling," and it may be allowed that in ordinary parlance we are disposed to connect the term with clandestine or dishonest proceedings. But it will hardly be disputed that no Customs service could protect a revenue if its action were to be barred, even occasionally, by the plea of an absence of all criminal intention. The whole of its business is with the shipping and landing of cargo in conformity with certain rules. In China the rules of shipping and landing are first communicated to the Consul of the port, who will not fail to object to whatever appears to him objectionable in them, and they are, through him, notified to the British community. Breach of them exposes the goods concerned to seizure. This seizure being the act of the Government executive, the British subject was, until the publication of the rules above-mentioned, in this predicament: if his goods appeared to him, as they generally did, to have been wrongfully seized, he was a complainant to whom his Consul could not, in his judicial capacity, afford redress, because he could not call before him the chief or the subordinate Chinese agent who was charged with the wrong complained of. I cannot admit that we have had much just ground of complaint; but, just or unjust, the Consul had no way of dealing with a case in which confiscation was threatened or inflicted, except by correspondence; and, if the Chinese authority stood out, then by reference to his Minister, who again had nothing for it but to confer or to correspond with the higher Chinese authorities, neither side being in possession of evidence taken in Court, or of any evidence but that of the Customs employé (it might be an employé of no very high grade) who had first effected or authorized the seizure of the goods.

The Rules agreed to by the Prince of Kung and myself, in the first place, protect the goods seized against summary confiscation, and their proprietor is through his Consul insured, if he wishes it, a full and fair inquiry into the causes of their detention; but, as a Chinese official agent is the party accused, it is, I think, plain that the inquiry could not be conducted anywhere but in a Chinese Court, and through the competent Chinese authority. The Consul or a Consular Officer attends in the interest of the British complainant, and I deny that his position in the Court would be inferior to that which the Chinese authority must occupy were it possible for him to take his seat in a Consular Court, to assist at a similar investigation. I say, were it possible, because it must be borne in mind that the investigation is to establish the culpability of a Chinese revenue officer charged with having, in excess of his duty, detained certain goods against which there was a *primâ facie* case that they were being shipped or landed in breach of regulation. No such case, of course, could present itself on our side.

It is noteworthy that since the promulgation of these Rules there has been no instance at Shanghae of complaint regarding Customs interference. Mr. Consul Winchester, as he observes, has had no opportunity of practically testing their merits. At Canton, the confiscation of a vessel seized upon the coast was claimed by the Customs, and the case was disposed of in a single sitting, Mr. Consul Robertson being the assessor. The proprietor, a Chinese of Hong Kong, having appealed to the Government of the Colony, it

was re-opened at Peking, and the Chinese Government, at the instance of Sir Rutherford Alcock, has consented to the redemption of the vessel by fine. I mention this because it affords me an opportunity of meeting another objection made to the Rules, namely, that I had agreed to consider as final any decision to confiscate, arrived at by the Superintendent of Customs of a port, from which the Consul did not dissent. It certainly had not occurred to me as probable that, where the Consul and Superintendent, upon the evidence taken in the manner the Rules prescribe, were agreed that a vessel or goods were liable to confiscation, the Minister and the Yamên of Foreign Affairs would on the same evidence arrive at any other conclusion. They have not done so in the case I have just cited. The mitigation of the penalty has been a pure act of grace. But I am entirely in favour of the appeal for which the Memorialists contend, and, had it occurred to me, should certainly have obtained its insertion in the Rules.

Article XVIII pledges the Chinese authorities to afford the fullest protection to the persons and property of British subjects, and to take all necessary steps for the recovery of stolen goods, suppression of disorders, and arrest of the guilty parties concerned. It is observed that these stipulations are in many instances set at nought, and that the Consuls are powerless to obtain redress. It is too true that a claim is rarely established without a voluminous correspondence between the local and the Consular authority, and between the Legation and the Yamên of Foreign Affairs, and that even when the validity of a claim has been admitted by the Yamên, its instructions by no means insure immediate satisfaction in the provinces, if needed it be satisfied at all. The apparatus of government is sadly out of gear. The war in the provinces, now for fifteen years, in one direction or another, harassed or threatened by affiliated brigandage, has obliged the Central Government to deal far more tenderly with the high provincial authorities than is its wont in normal times; nor, constituted as it is, can we expect it to re-assert itself so long as the Emperor is but a minor. On the other hand, I am disposed to doubt that in the matter of indemnification the Chinese are much more dilatory than various civilized Powers, and it must farther be remembered that the account of international griefs is not entirely in favour of the foreigner. When we complain of their tardiness, we are very commonly met with the counter-complaint that, whether in questions of dignity or interest, remonstrance from the side of China fails fully as often as remonstrance on our part, to produce any tangible result. I see no remedy, save in the unwearied pertinacity of our Representative. The step most frequently recommended of authorizing the Consul at his discretion to meet particular claims by deduction of an equivalent sum from the dues and duties of British vessels leaving the port, is, in plain language, an act of war; but if we propose to continue diplomatic intercourse with China we must not, in my opinion, act towards her otherwise than we would act towards any other country with which we have diplomatic relations.

In regard to the protection we are entitled to, I go, in some respects, farther than the Memorialists. I think that the whole of the police required for the security of the foreign community at any port should be paid for by the Chinese. In the present condition of China none but a foreign police would be effective. I would have the Chinese Government support one just as it now supports a revenue establishment formed of foreigners; with this difference,—that, while it is essential that the revenue force continue as it now is, subordinate only to the Superintendent of Customs, who is by Treaty exclusively responsible for the protection of the revenue, the police force should be made, by a common understanding, as much the constabulary of the foreign Consuls as of the Chinese Government which pays it. It would be, in short, precisely what the so-called municipal police of Shanghae is at this moment, but paid by the Chinese Government instead of by the foreign merchant, and referring itself primarily to the Consuls or the Chinese officials, instead of to a committee of land-renters, or any other non-official or quasi-municipal body.

On the other hand, I do not think that the Chinese Government should contribute, or be called on to oblige its subjects to contribute, to the making or maintaining of foreign roads, foreign drainage, lighting, or other requirements of foreign civilization. My remarks point more particularly to the condition of things at Shanghae, where the conservancy of the so-called British and American concessions is, I admit, right well cared for by the committee of land-renters known as the Municipal Council. The Chinese Government is, I think, bound to maintain all wharves, jetties, or like constructions essential to the merchant for purposes of shipping or landing; it is withal to the advantage of the revenue that they be maintained; but the quasi-municipal expenses of the community, the expenses proper, that is, to a European town or city, should no more be held to form ground of a claim for assistance from the Chinese Government than the consumption by the same community of its wine and tobacco. At Shanghae especially, the quasi-municipal expenses

are swollen by the great extent of land held by the foreign community; land acquired not merely to furnish building sites for the residences or warehouses of the foreigner, but for the erection of buildings to be let to Chinese. The speculation has in many instances proved unprofitable; hence the quasi-municipal taxation of the Chinese sub-tenantry.

Very few ports, if any, will ever have occasion for a force as considerable as that now maintained at Shanghae; many ports will contrive, as they have heretofore contrived, to dispense with any; but, wherever a force is needed, it should be paid for by the Chinese Government, and this not only because the person and property of the foreigners are by Treaty entitled to adequate protection at its hands, but because its delegation of a function so important even to the official of a foreign State is, in the interest of its independence, a step in the wrong direction, while the assumption of the same function by a committee of land-renters is, I venture to think, very misleading to the foreign community at large; less to British subjects than to foreigners of other nationalities, but more or less to all.

I would speak with all fairness of the so-called Municipal Council of Shanghae, which, for the so-called British and American concessions, is composed of men of various nations; if it was at one time over-lavish, it is now, I believe, making an honest effort to retrench, and no one who visits Shanghae will deny that the foreign town administered by it is in a condition that does credit to its application of its funds; but the pretensions of the French, which, in reality, go the length of constituting the so-called "Concession Français" a territory of the French Government, are wholly ascribable in the first instance to the attitude assumed, and the language held, in 1863-64, by the quasi-municipal body administering the settlements not French; the talk about free ports, charters, and the like impossibilities.

I stand, I fear, alone in my estimate of the mischief to be apprehended in time to come, from the continuance of a position so untenable as that of the French at Shanghae; but, with the views I hold, I cannot insist too earnestly upon the expediency of attempting its modification; and no means to that end appear to me so promising as the substitution of a police force, paid and primarily wielded by the Chinese Government, for that now paid by, and responsible to, the land-renters represented by the Municipal Council. If the Chinese Government maintain a police for all beside the French, the French will hardly continue to maintain their present gendarmerie, which, I may observe, is far rather the police of their Consul-General than of their Conseil Municipal; and the whole foreign region being brought under the action of one police body, paid and belonging to the government of the country, a fusion of the French and other nationalities may be looked for, which will never be possible so long as the French claim the right, as at present, to ignore all Consular authority but their own in any part of China which becomes a "Concession Française." The adoption of their term "concession" for what is really a "délimitation," in plain English a factory ground, has been most unfortunate.

I beg to close these remarks by observing, emphatically, that no one is more averse than myself to a discussion with the French upon that local assumption of sovereignty in which I see so much evil. I am fully aware of the peril of alarming their susceptibility; but I am most anxious to see the evil neutralized, and the measure I suggest would, as I have argued, do something both on our own side towards the correction of vague ideas and loose talk about our territorial rights; and, on the side of China, towards her education, in her duty to the foreigner and to herself. The local Government of Shanghae at present contributes a considerable sum to the conservancy of both settlements; and I would have it proposed through Peking that, on our ground at least, its own money should be diverted to the purpose and applied in the manner here indicated.

It is provided by Article XIX that robbers and pirates plundering British vessels shall be captured and punished by the Chinese Government; and, by Article LIII, that the British and Chinese Governments shall co-operate for the suppression of piracy. It is represented, and with great truth, that the task of suppression has been cast almost wholly on the British navy. There has been since the arrival of Sir Harry Keppel some movement in the direction of co-operative action; but until the Chinese marine is composed of something better than the ancient junks which are inferior to any craft that we sailed in the days of the Spanish Armada, or than the broken-down steamers which, on an emergency, the mandarins will purchase at any price the foreign owner chooses to put upon them, co-operation will be all but a farce. It is due to the Chinese to remember that, in 1861-62, they did make, for them, a great effort. They spent 1,000,000 taels in purchasing and equipping a steam flotilla, which was to have cleared the Great River of rebels, the coast of pirates, and to have supplied a base of formation for a native navy, and more particularly for a preventive service. I would say as little as possible of the mistakes made by the gentleman, long my friend and colleague, to which I ascribe the non-success of the flotilla scheme; but we must not forget that the Chinese were not to blame for

it, nor must we forget that the small party of progressists who had stood sponsors to that scheme were at once discredited and discouraged by its failure. M. Giquel, a lieutenant of the French navy, formerly in the China Customs establishment, has recently obtained authority to build docks at Foo-chow, and to lay down gun-boats; the terms on which his services are engaged being, I understand, most liberal. But though armed with an Imperial Decree, he is, I fancy, paid by the provincial Government of Fokien, and I am by no means sanguine that he will succeed in producing a fleet. Should he succeed, there is not the smallest ground for jealousy on our part. Foreigners embarking in an adventure of this kind will doubtless absorb some money; but the provincial Governments would squander far larger sums on undertakings less profitable to the end proposed, and no foreign adventurer, unless his Government have designs upon the independence of China, will of his own strength achieve anything to imperil it.

Article XXIII provides that if a native of China, having incurred debts at Hong Kong, abscond, the Chinese authorities, in concert with the British Consul, shall endeavour to see justice done between the debtor (he being a Chinese, and having returned to China) and his creditors. The Hong Kong Chamber would add to this Article a clause requiring the rendition of Chinese debtors absconding from the Colony.

If the Colony have any registration which is really sufficient to establish what Chinese residing at Hong Kong are *bonâ fide* entitled to the status of British subject, and as such amenable to British law, the rendition of any persons having such a status, is a plain and incontestable right; but it is difficult to suppose the Memorialists serious in suggesting that Chinese subjects having fled to China for debt are to be brought by the Chinese Government before a Colonial Court, in order that action may be taken under the Decree of such a Court against Chinese property on Chinese ground. If there be any property of the debtor in the Colony, his simple disappearance places it, of course, at the mercy of the Colonial Courts. I have noticed above with what jealousy the proceedings even of a Consular Court, though this sits in Chinese territory, are viewed by the Chinese Government, where the defendant is a Chinese, and the Hong K..g proposition is noteworthy as an instance of difficulties which, in the discussion of international questions, the one-sided interpretation of his rights by the foreigner may alike occasion to the Government of China and the foreign Representative.

We come now to the payment of duties, maritime and inland, and complaints of the violation of Article XXIV, by which it is agreed that imports and exports shall pay only the duties prescribed by the Tariff; a stipulation alleged to be set at nought by the constant disregard of the terms of Article XXVIII, as interpreted by Rule 7 of the Tariff.

The Memorials of Hong Kong, Amoy, and Foo-chow, are for the abolition of the Coast Trade duty, which the first alleges to be an unauthorized contravention of Treaty stipulations. On the contrary, the half-duty now levied instead of a whole duty, is a concession to foreign commerce obtained by Sir Frederick Bruce. I remember distinctly being told by Lord Elgin at the time that he was negotiating the relaxation of the interdict formerly affecting transport of cash, grain, and pulse, that he had purposely kept clear of any provisions that would transfer the *cabotage* of China to foreign bottoms. His Lordship thought the junk-trade fairly entitled to this protection.

I am not of opinion, however, that China has so far lost by reduction of the Tariff duty to one-half upon goods shipped from one port to another. The native dealer has undoubtedly benefited by the despatch and security with which his investment is carried from port to port in foreign bottoms, and the decay of the junk-trade has stimulated the Government, both at Peking and in the provinces, to take steps towards encouragement of the construction of vessels upon the foreign model; an improvement which will do more than any repressive measure towards the extinction of piracy. Changes come slowly about in China, but legislation on the subject had reached a certain point two years ago, and is now, I fancy, but suspended for the moment. Once the change is introduced, the seafaring population will not be long in recovering a fair share of the coast trade, if they do not engross it altogether.

But it is of the injury inflicted on their business by non-observance of Article XXVIII that the Memorialists, one and all, most loudly complain; and that the burden that has fallen upon their trade is indeed hard to bear, no one will attempt to deny. It is at the same time essential that we should distinguish between what is violation of the Treaty, and what is not; between the levy of transit dues in excess of the Treaty provision, and taxation of the Chinese by their own Government. The Article, it is true, has been, in many cases, set at nought; but the more serious drawback on the development of foreign trade is occasioned by the fitful and irregular incidence of local taxation upon the trade of the native community. The evil thence reflected upon the business of our merchants is not exaggerated; yet the sources of the evil, distressing as the result undoubtedly is, are

not, in my opinion, so assailable in the form of a breach of Treaty as they may at first sight be supposed. They lie, in great part, beyond the scope of all Treaties; nor am I sanguine that, for some time to come, any measure that we have a right to suggest, will do more than partially control the mischief.

What we are, in my opinion, by Treaty, really entitled to, will be best shown by a brief review of the antecedent history of the transit duty question.

When the Treaty of 1842 opened the trade at Canton, till then the close monopoly of a privileged association, it was stipulated that there should be established at the five ports at which we were now authorized to trade, a fair Tariff of import and export customs, and that the Tariff duty once paid at any open port, our imports should be conveyed by Chinese to any province or city in the interior, on payment of a further amount as transit duty. This was not to exceed a certain per-centage upon their Tariff values, the amount of which per-centage was to be presently declared.

A fair Tariff was published in 1843, but the promised declaration by which the inland transit duty was to have been regulated, never appeared; and, before many years elapsed, it was seen that the foreign merchant's business in imports, and in exports no less, was affected, at a rate annually increasing, by what his broker or his native constituents represented to be charges imposed by the local or provincial authorities upon merchandize *in transitu*. In normal times, that is to say, when the country is undisturbed, the transit dues are leviable only at certain fixed points or barriers, a list of which is published in the Code of the Board of Revenue. It was, doubtless, of the rates to be charged at these barriers that the declaration required by Sir Henry Pottinger, in 1842, was demanded. The provincial Governments do not, legally, possess the right to multiply these collectorates without reference to the Board of Revenue; nor can their number be added to by the Board itself without the sanction of an Imperial Decree. Still, even in time of peace, a very slight plea of local necessity will enable a provincial Governor to increase the amount of the dues to be collected at them, or to impose provisionally a tax upon trade, if I may use the expression, *in situ;* the process most in vogue being an appeal, which no one ever ventures to disregard, to the patriotism of the native mercantile community. This forced contribution is the impost so emphatically inveighed against by our Memorialists as the *le-kin*, *le-kim*, or *le-kum*. But although the barrier dues on native traffic or goods will be raised by the *le-kin*, it touches much more than these dues. Though ostensibly a voluntary contribution, it is in reality a tax of great elasticity upon all trade, and one which, in course of time, becomes as grievous in the arbitrariness of its imposition as the "benevolence" of our Kings of old.

Through the native trade, undoubtedly, the *le-kin* hits our own trade hard, and for more reasons than one we are justified in crying out; but again we must be careful to remember what the tax really is. Its nature appears to me to be singularly misunderstood.

Since the last payment of our indemnity in 1865, only, has the Central Government caused two-fifths of the Customs receipts (the amount that the French and ourselves drew annually from 1860 to 1865) to be remitted to Peking. The remaining three-fifths are applied to the expenditure of the provinces. So they were throughout the whole five years of indemnity payments; and, except the Canton quota, which, up to a certain date, had always gone to the purse of the Imperial household, so, for the last fifteen years of trouble, have the whole of the maritime duties collected on foreign trade been applied. The "squeezes" of the local authorities, that is, I presume, the *le-kin* or war tax, of the abuses connected with which I shall have enough to say, owe their existence and evil growth to the same demand for supplies, not to any action taken by or through the Customs Inspectorate. In some form or degree the impost is of far older birth than the Inspectorate, and must be at this moment a chief resource of the Government in regions far beyond the influence of that institution.

In the earlier years of the open trade, it is true, from 1843 to 1850, it is much to be doubted that the tolls of the Provincial Governments hindered circulation of our imports to anything like the extent that the native intermediary was pleased to allege. The foreigner, restricted by Treaty to the five ports open, was powerless to test the truth of assertions that it might suit an interested native to make touching either the conditions of the markets or the proceedings of the authorities inland, and it is not to be supposed that his Chinese broker would not turn this ignorance to account. So lately as 1858, when direct communication between Shanghae and Hankow had been more or less interrupted by the presence of the Taeping insurgents in the valley of the Great River for upwards of five years, Lord Elgin found British imports selling in Hankow at rates that by no means bore out the statements of the Chinese at Shanghae regarding the onerousness of the transit duties. From the outbreak of the Taeping insurrection in 1852, no doubt, the patriotic contribution was very freely exacted, but whether in the proportions affirmed we

were not as yet in a position to ascertain. On the other part we do now know that unti the insurrection of 1853 began to tell on the tea duties, the port of Foo-chow was closed to that trade by Imperial authority. Teas were diverted by the Government from Foo-chow up to the year 1854. Whatever the truth, however, all trade suffered severely; and in 1858, the inland charges upon tea coming from Hankow to Shanghae amounted, according to the native brokers, to nearly cent. per cent. upon its value: in some ten years they had about trebled themselves.

By Article IX of the Treaty of Tien-tsin, Lord Elgin obtained for the British merchant the right to travel with a passport, on business or for pleasure, to any part of the Empire. This gave him personal access to the markets whether as buyer or seller, and secured him, at all events, against false information. By Article XXVIII it was agreed that within four months from the signature of the Treaty, there should be published at every port, on application of the Consul to the Superintendent of Customs, a notification of the amount of duties to be levied on produce passing from the place of production to the port of the Consul applying, and on imports from the same port to the inland markets named by the Consul; or that it should be at the option of the merchant to clear his goods, inland or portwards, by one single payment to be fixed as near as possible at $2\frac{1}{2}$ per cent. upon their Tariff value. This stipulation, like that in the Treaty of Nanking, had reference to the barriers that had been sanctioned by the Board of Revenue. The new Tariff was negotiated at Shanghae within four months after the signature of the Treaty; but it was found that in the then conditions of the interior, and especially of the valley of the Great River, the required notification, if producible at all, could not be looked for without very considerable delay. By the 7th of the Rules appended to the Tariff, therefore, the inland duty on all imports and exports therein enumerated was limited to a sum equal to half the duty leviable upon them under Tariff, and that on duty-free goods, to a sum equal to $2\frac{1}{2}$ per cent. upon value; exemption from any additional impost *in transitu* being secured by certificate.

There is this difference, then, between the transit duty clauses of the two Treaties of 1842 and 1858. The earlier claimed to clear imports alone, carried inland in Chinese hands; the later, to clear both imports and exports, if certificated, whether carried by a Chinese or a foreigner. I am not in a position to state whether Sir Henry Pottinger supposed that the single payment by which he stipulated the Chinese merchant was to compound for his barrier dues would exempt the goods he carried inland from all farther taxation. I suspect that he did; and the mercantile community, though, with reason, not sanguine that the promised scale of inland duties would ever be published at all, were, I think, under the same impression as to the sense of the Treaty stipulation. Lord Elgin, I am certain, did not look for more than the protection, *in transitu*, of certificated goods.

So far as Article IX of the Treaty of Tien-tsin is concerned, it is my impression that the privilege it guarantees has been fairly enjoyed. The Article accords us the right to travel inland for business or for pleasure. It does not accord us, nor, as I have argued elsewhere, does any other Article accord, the right of residing otherwise than a tourist or mercantile traveller may reside, in any part of China but the Consular ports. The personal access which it does authorize to whatever places the foreigner desires to visit, has been, with rare exceptions at all events, conceded him. As an exporter he may not have benefited by the exercise of his right to the extent anticipated; but that is not the fault of the Treaty provision or of the Chinese Government. At Shanghae, notwithstanding our power of visiting the producing districts, tea and silk are procurable on as good terms at the port as up the country, if not on better; but this because the native community have the wit to combine. The foreign community invariably compete. The combination of the tea-growers proves, I fancy, too much even for the native brokers.

The anticipations founded on Article XXVIII regarding our trade, and particularly our import trade, have been no less disappointed; but again admitting that its conditions have been in some, indeed in many, instances, ill observed, I must, on the other part, contend that much, though not all, of the disappointment which is set down to the non-fulfilment of these conditions is due to the fact that a far greater measure of freedom has been expected of them than the framer of the Treaty contemplated their providing. The Article promises exemption from all charges *in transitu* over and above those specified in the Treaty on imports passing from a port to an inland market, or on produce from an inland market to a port of shipment; provided always, as Sir Frederick Bruce read the Treaty, that such imports or produce being *bonâ fide* British-owned, were accompanied by a certificate. Lord Elgin did hope that imports so certificated might not only be carried by travellers from one centre of traffic to another, but disposed of in parcels along the line, an order of proceeding not impossible in quieter times; but I remember his Lordship expressly stating that he did not see his way to the farther protection of imports against

taxation once they had passed into the hands of a Chinese purchaser. They must then, said he, take their chance.

I do not pretend that, in 1858, Lord Elgin, any more than any one else, contemplated as possible such a weight of taxation as now indirectly oppresses our trade. Neither at Shanghae nor elsewhere had the *le-kin* attained the dimensions to which, since 1860, it has swollen in those provinces where trade is likely to feel it most. But, could the rebel movements of 1860-65, to which we owe the great rise of war taxes throughout the valley of the Great River, have been predicted, no Treaty provision could, in my belief, have been devised that would have afforded imports the protection that our merchants conceive they are entitled to. The protection of imports, and of exports no less, *in transitu*, is a different matter, and we were entitled to hope that the terms of Article XXVIII, as interpreted by the Tariff rule, would have been respected; for the charge of 2½ per cent. therein agreed to was believed, on good authority, to exceed the sum of the barrier dues heretofore levied on goods carried by the native trader, at all events between Shanghae and its natural markets, and it was not unreasonable to argue from this to other lines of communication.

Now I have said that this Article has been ill observed. Whenever a Chinese authority has refused to issue a transit-duty certificate, or has disregarded the certificate presented, a breach of Treaty has been committed, and I regret to say that of the latter offence more particularly there are instances enough on record, and that the claims of applicants for reimbursement of the dues levied in excess, have been left, after much argument and correspondence, unsatisfied. I have hinted above, and shall presently have to explain what it is that has tempted the Provincial Governments to these acts of undoubted illegality, and why it is that the Central Government has been so slow to redress the wrong when appealed to; its actual position is one surrounded by difficulties, to which it is, I think, our duty not to be indifferent. In the meantime, postponing for a short space any more particular consideration of this Article, I repeat that it is not by its non-fulfilment or by the non-fulfilment of any other Article, that the import or export trade of the British merchant is principally hampered. The great weight pressing upon it is the weight of the *le-kin* contribution as distinct from the transit dues. But this impost, although in its excessive degree objectionable, is not in its nature more open to objection than our own income-tax, nor, indeed, than any extraordinary tax by which a state short of money may recruit its finances. The immediate abolition of it (the remedy urged by some of the foreign physicians of this ailing Power) is simply practicable. We may succeed, as I have said, in doing something to modify the evil we justly ascribe to them, but the *le-kin* taxes are, and for years to come will be, indispensable to the Chinese Government.

I will state the ground of this conclusion:—The provinces have revenues specially affected to their expenses, but the income with which the Empire assumes to support its establishments should, in normal times, amount to some 45,000,000 taels, say 15,000,000*l.* sterling. It derives this from three sources, the land tax, the sundry taxes, and the Salt Gabelle. The Salt Department even in the most flourishing periods, appears always to have been in confusion; and in evil days, such as those we live in, it can even less be reckoned on: the collectors and monopolists make large fortunes, the smugglers also; the account with the State is always grievously in debt. But a large portion of the land tax, which should yield nearly two-thirds of the total income of the State as above estimated, it must have been, for years past, impossible to collect at all, in many places where a population still existed to pay it; while, in many places, the country has been so thoroughly laid waste that there is no longer a population to be taxed. The sundry taxes of course have fared no better. Of the provincial as distinguished from the Imperial revenues we have no exact account. They are roundly put at some 6,000,000*l.* sterling.

No people probably rally with greater rapidity, once they are comparatively secure of freedom from molestation than the working classes of China; but it must be remembered that the Empire has been disturbed, in one province or another, by outlaws of this or that denomination for the space of fifteen years, and that hardly a province once disturbed has since been thoroughly free of alarm, if indeed free of danger. In the south-west it is very doubtful whether the Government has more than a nominal presence in Kwang-Si, Yun-Nan, or Kuei-Chou; nor is its authority more respected in the north-west, where the Chinese Mahometans, apparently supported by those of East Turkestan, have been for some five years in revolt. The centre of the Empire, north of the Great River, was last year in as great disquiet as, until the recapture of Nanking in 1864, were ever the districts south of it. The Nien Fei, a lawless generation older than this dynasty, who were not slow to profit by the march northward of the Taepings in 1853, and, on the fall of Nanking,

were reinforced by large numbers of Taepings whom that event deprived of their original rallying point, infest the common frontier of Kiang-Su, Shan-Tung, Ho-Nan, and Chih-Li, at times spreading so far south and west as to influence the state of trade of Hankow; at times so far north as to endanger the safety of Tien-tsin. Last winter and this spring they were believed, and probably with truth, to have been menacing Peking itself.

Exigency so extreme has, of course, occasioned an amount of expenditure that the regular revenue, could it have been thoroughly collected, would have been utterly inadequate to meet; and, as I have shown, the struggle with the insurrection has very materially interfered with its collection. The foreign import and export duties (not the transit dues) are, perhaps, the only income on which, for some time past the Central Government has been able to count with perfect certainty; but these, although, thanks to the increase of trade since 1860, and to the administration of the foreign Customs Inspectorate, they have nearly doubled their former total, even now amount to something less than 8,000,000 taels; and from 1860 to 1865, whatever might be the amount of these duties collected, two-fifths of the total had to be handed over as war indemnity to the French and ourselves. To find bread, therefore, for its standing civil and military establishments, to say nothing of the large bodies of militia or volunteers which are demanded of it to make head against the rebellion or brigandage incessantly troubling it in one quarter or another, the State has beed driven to various abnormal ways of recruiting its means.

The most eager apologist of the Government will no more contend that the sources selected have been the best, than that the means drawn from these sources have been honestly or judiciously applied. Very little indeed, considering the emergency has been done to improve the effectiveness of the forces employed ostensibly to restore order in the provinces, and of the myriads for whom pay is drawn by the Provisional Governments, not more than one man in ten perhaps, regular or irregular, ever takes the field. And it is, no doubt, in great part, the conviction that the money wrung from the native trader is in so large a proportion wasted or misappropriated, that renders the foreigner impatient of much that, but for this conviction, he would hardly construe as violation of the Treaty.

Nor is there more to be said in favour of the expedients by which the funds so ill applied are for the most part provided, the most objectionable by much being the sale of official dignity. In the capital itself, and indeed wherever there is a population that is likely to buy, offices are open for the sale of official titles, and (though only below a certain line), even of official posts. The practice is not peculiar to this dynasty, but it has not been before, under this dynasty, so largely resorted to, and in a country where, constitutionally, rank and position are the legitimate attributes only of those who have done themselves honour as men of education, there can be no worse sign of the times than this reckless recurrence to it. The other expedient extraordinary is not, as I have before observed, in its nature so objectionable, but it is over-burdensome in the degree, and vexatious in the method, of its employment. Wherever there is a centre of trade, trade becomes liable to taxation apparently without an appeal against the authority of the Provincial Government, and without other limit than the Provincial Government may see fit to prescribe. Branch transit duty collectorates multiply, the tariff of each rising, of course, at the pleasure of the subordinate in charge, while in the towns and cities, whether on the seaboard or inland, the ledger of the native dealer, merchant, broker, and tradesman alike, is subjected to an unsparing inquisition, and on all discoverable transactions the *le-kin* falls heavily and without relaxation.

It is this that is so grievous to bear; that once imposed, the war tax never ceases; indeed that so far from abating it seems always on the rise. At Amoy, for instance, it had not attracted the serious attention of our merchants before 1860; the then plea for its imposition being the suppression of the rebellion of which Nanking was the head-quarters. In 1865, on the capture of Changchow, a city some thirty miles inland of Amoy, the dimensions of the war tax sensibly increased. This, for the moment, might have been expected; but neither the recovery of Nanking, nor that of Changchow, which last was in the hands of its insurgent captors but a few months, produced any abatement of the war tax. The leking, say the Memorialists, continues to press upon different articles at from $4\frac{3}{4}$ per cent. to 90 per cent.; and the area of its imposition in the extreme decrees is evidently defined by the decision of the Government of Fuh-Kien, in which province Amoy is situated; for the Memorialists of that port find that districts in Fuh-Kien, which formerly received their imports from Amoy, are now drawing them from Swatow, which lies in the adjoining province of Canton, while the Memorialists of Foo-chow, the capital city of Fuh-Kien, similarly complain that their goods sent inland are undersold by goods from Ningpo, which is in Cheh-Kiang, the conterminous province to the north, and from Kiu-keang in Kiang-Si, the conterminous province to the west of Fuh-Kien.

Now there can be no harder case than this. Native and foreigner are alike injured

by the course pursued by the authorities of Fuh-Kien; a course which could only be justified, even according to the theory of provincial Government in China, were it demonstrable that the province was so disturbed as to render necessary an extraordinary measure of taxation. I do not believe that it is. After having been left throughout the rebellion comparatively free from molestation, except along its borders, its centre was invaded by bands of the Taepings, and other brigands, in the year 1865, but there is no reason to suppose that it is at this moment in a more unsettled condition than any one of the three provinces adjoining it. Yet, unless we can prove that the operations of the foreigners' constituent, whether in buying or selling, are more heavily taxed than the operations of other native dealers, I do not see that we can allege against this system of taxation, oppressive and hurtful as it is, that it is a violation of the Treaty. And this is not the only difficulty with which we have to cope in our attempt to make things better. We might succeed in convincing the Central Government, it is not impossible that it is already convinced, that however great the need of funds in the province, this rack-rent system is simply suicidal, and that the crisis being, as we believe it to be, now past, the war tax can only be retained (to an extent so oppressive), because the provincial authorities are incapable or corrupt; but the Central Government will still be very slow to interfere in the taxation of the province. Were there, what there is not, and for four years there will not be, an Emperor really governing on the Throne, even he would too possibly hesitate, in the fifteenth year of such trouble as has afflicted China since 1852, to insist upon the immediate abandonment by a provincial Government of any method of taxation already in force; but the Empire is, and for four years more will be, in the hands of a Regency which, except in the single act to which it owes its birth, has not been remarkable for vigour or boldness in the work of administration. The provinces are without money for their expenses; while levying what is really needful, beyond all doubt the authorities levy much more, for they are unscrupulous and rapacious; but the disorder of the Empire does create a real need for funds, and the Central Government has not felt itself in a position to say to these authorities—You shall be held responsible for the safety of your Government, but you will not be allowed to resort to this measure or that of finding what you require for its security.

It is this poverty of the exchequer and this feebleness of the Central Government which also explain, though they do not excuse, the disregard of the transit duty clauses. The provincial Governors, knowing that their general necessity is beyond dispute, have over-taxed the native, and, when they could reach him, the foreigner; not, as I believe, at the instance, very probably often in defiance, of the Central Government; and the Central Government, though not powerless, would it but assert itself, has been scared by the bugbear of war expenditure from interference in provincial finance.

The Central Government will not, of course, avow such feebleness when defending itself, and then again it has still a word to say upon our non-observance of the provisions with breach of which we charge it. When the modification of this Article, as declared in Rule 7 of the Tariff, was accepted by Lord Elgin in 1858, it was not supposed by the Chinese negotiating the Tariff that their own countrymen would be enabled to turn the Treaty provision to account. One of the Chinese Commission in particular, whose knowledge of the conditions of trade, native and foreign, made him a very competent authority, was of opinion that a toll on produce intended for the export market, amounting to half Tariff duty, would be more than the native trader would tolerate. Since that day there has been a great increase of local taxation. Although the Taeping insurrection was, on the whole, declining in activity, large districts of great importance to our trade were overrun and devastated between 1858 and 1865; the war-tax once imposed has kept its hold upon trade, and the trader has naturally cast about for a means of lightening his burden. In the Report of Mr. Leonard, Commissioner of Customs for Ningpo, for 1866, it is stated that although the export by foreigners of cotton from Ningpo is trifling, almost the entire amount shipped comes down from the interior declared foreign property. The sale of transit passes to the Chinese, he proceeds, is a regular business; merchants obtain them for thousands of bales per month, and dispose of them at the rate of 5 cents per bale to native merchants, who thus evade payment of local imports to which, as Chinese, they are liable.

Mr. Leonard's Report proves, by the way, that inland of Ningpo, at least, the certificates were duly respected, and in a letter from Hankow recently published, I saw it gratuitously affirmed that they were working well in that neighbourhood. The Foo-chow Memorial again states that lead, such as is used for tea-chests, is cleared inwards by certificates, although they are not found to avail other imports; also that they clear tea coming down for exportation, the interference of the Consul and foreign Commissioner of Customs eventually securing redress where a foreigner's teas have been subjected to illegal

exactions; further, that this interference has checked attempts to increase the tax on native-owned produce.*

I do not remember a similar complaint regarding the transport of any other article of commerce, whether to Ningpo or elsewhere, but the practice of transferring certificates is one to which, from the moment the Treaty came into operation in 1861, the suspicions of the Central Government had turned as a probable cause of trouble. It was one of the grounds on which a reconsideration of this Article was pressed on Sir Frederick Bruce in more discussions than one, during that and the following year, by the Yamên of Foreign Affairs. Foreign merchants being now free to clear produce from Yun-Nan to Tien-tsin, or from Shan-Si to Canton, how, it was asked, is the Government to be assured against the evasion of inland tolls by Chinese? Granted that, on his own account, the foreigner, as you contend, will never desire to exercise his right in a way so manifestly inconvenient to his business, what is there to prevent him covering Chinese-owned goods *in transitu* by his certificate? It is hard enough on the provincial Governments that they must give up their tolls on goods that are foreign-owned; but it will be harder still if Chinese, armed with foreigners' certificates, are to carry Chinese-owned goods toll-free from one end of the Empire to the other.

As I have stated above, there has not been, to my knowledge, any instance but the one exposed at Ningpo of such an abuse of the certificate; but the foreigner's name and flag have been used, for a consideration, to clear wood-rafts, being Chinese property, from Hankow down; the river tolls due on the wood being of course evaded by the Chinese proprietor.

The only formal proposition, however, that I remember to have come from the Foreign Yamên upon the subject was one brought forward in 1862, at the instance of the Governor-General of Hu-Kwang, the jurisdiction in which Hankow lies. He would have limited the certificate's validity, at least in the river provinces, by the bounds of the province in which it was issued, and for the carriage of certain specified articles he would have granted no certificates at all. His object, not unnaturally, was to secure to the Governments of the river provinces, particularly to those under himself, whatever revenue might be derived from transit duties within their jurisdiction; also, no doubt, to enable the same Governments to keep under surveillance the operations of the native community, whose *le-kin* contributions were of such consequence to the provincial Exchequer. The commodities from which he would have withdrawn the protection of his certificate were not those in which foreign trade is principally interested, but the proposal was altogether too ominous of restriction for Sir Frederick Bruce to entertain it, and it was not renewed.

It is quite possible that the Chinese Govornment will seek to reopen this question, and I fear that we can do little to prevent abuse of the privilege, on our full enjoyment of which we lay so much stress. To accept the provincial limitation would be to surrender the whole benefit of the Article. Ports are open, it is true, in all the coast provinces, and in most of those along the Great River, but the lines along which the foreign merchant will prefer to carry his imports or exports are not always those between the inland district and the port or ports that would seem geographically to be its natural inlets or outlets. Some lines that he will follow do begin and end within the boundaries of the one province—the export line of Foo-chow teas, for instance; but, in very many cases, the line must traverse two or even three provinces. The extreme west of the Empire is still in such disorder that direct foreign trade with it is all to seek; whenever trade becomes possible in these, it can only reach the frontier provinces on that side through those that lie nearer the sea or along the Great River; but it is known, for example, that Kiang-si produce is carried to Shanghae, in Kiang-Su, across the intervening province of Cheh-kiang, rather than by Kiu-kiang, the river port of Kiang-Si. This may be due to the lie of the ground, or to the high rates of steam freight from Kiu-kiang down the Great River, which the competition

* The evidence of the late Mr. Fitzroy, Commissioner of Customs at Shanghae, on this subject, should not be overlooked. His Report is appealed to by the Shanghae Memorialists to prove how seriously the inland charges distress the export trade. I extract the whole passage as it stands in Mr. Fitzroy's Report for 1866:—

"Silk, when conveyed from the interior to the port, is called on to pay 35 taels per bale, on account of transit dues, if in the hands of the Chinese. Consequently, foreigners obtain transit passes to exempt the produce from further taxation, on payment of the charge commuted by Treaty, namely, 5 taels a picul. These transit certificates, of which 355 were issued last year, ought to secure the silk against further claims at the various barrier stations through which it passes on its way from the producing districts to Shanghae; and I have not lately heard of any illegal exactions having been attempted, although, during the Taeping rebellion, complaints were frequently made, some of which are still unredressed."

The export duty on silk is 10 taels. The inland charges here specified amount to some 10 or 12 per cent. upon value.

Mr. Fitzroy farther states that no certificates were issued to protect teas *in transitu* during 1866; but that 53 were taken out to cover other produce.

I presume that applicants would not have persisted in taking out passes, if they were persistently ignored.

now commencing will lower; or to the fact that the Poyang Lake has to be crossed, which difficulty will be met if a port be open to steamers on the east shore of the lake; or to the abnormal pressure of the *le-kin* tax upon the centre of Kiang-si. Whatever the reason, trade is convenienced by the apparently circuitous route, and were it ruled that the certificate was to run but in a single province, the transit duty would necessarily be doubled or trebled by the regulation. In the north of China, which receives all its imports by way of Che-foo or Tien-tsin, the imports must traverse two, or perhaps three, provinces to their markets.

The remedy against evasion of the transit duty now legally leviable on exports is in the hands of the Customs, who are empowered by Rule 7 to refuse permission to export produce which cannot be proved to have paid its transit dues, until these dues have been paid. Imports, again, being still foreign property, if passing inwards without a certificate, are liable to confiscation; but I can suggest no means of adequately protecting the revenue against the loss it must sustain if this practice of transferring certificates extend itself. The obligation to return the certificate to the Customs, if enforced, as it now is not, by a heavy penalty, might do something to check it, but it would not put an end to it.

The true cure, of course, is alleviation of the burden which places the Chinese in a worse position than the foreigner, and tempts him to avail himself by stealth of the foreigner's privilege; and it may appear singular that, admitting as I do, the oppressiveness of the *le-kin* tax, the corruption and torpor which are responsible for its undue extension and ill-directed application, I should occupy myself at such length about the protection of revenue so collected and so applied. I have endeavoured to show that, however ill-gotten and ill-spent, these war taxes are, and long will be, the main resource with which the Provincial Governments have to face, almost every one of them, an unusually heavy expenditure; and that until the central power is better able than it believes itself to take the Provincial Governments in hand, we must not expect to see the amount of these taxes, now admittedly excessive, materially reduced. We must put up with them as an evil, not incurable, but not soon or suddenly to be cured, and we must do our best to combat their influence upon our interests: first, by a strict exaction of our rights under the transit-duty clause, of which I would give up no part; and then, by certain supplementary concessions, which I think the Chinese Government will not find it hard to yield. But in fighting for the rights we already possess, the rights denied, where they have been denied, by the Provincial Governors, the difficulty to be anticipated from the reluctance of the Central Government to interfere with them will be seriously aggravated if we cannot come into Court with clean hands; if, when we complain at the Yamên that such or such a Governor will persist in ignoring our transit duty certificates, we are to be told that the very official of whose acts we are complaining, reports that certificates taken out by our people are being sold at a profit to Chinese to enable them to evade provincial imposts.

Now, as to the redress or mitigation of our griefs: as I do not put the same construction as the Memorialists upon the provisions of Article XXVIII, it follows that there will also be a difference in the remedial measures we respectively propose. I hold that the transit duty, as defined by Treaty, once paid, the certificate thereon granted should clear the foreign payer's imports of transit dues to any inland market he may choose, or his exports purchased inland to any open port. Refusal to issue a certificate is a breach of Treaty; so is the levy of any due in excess of the payment for which the certificate is, in fact, a receipt. But the certificate will not exempt the goods cleared under it from the *le-kin*, or from any other tax once they have become Chinese property. The Memorialists hold that it should; and more, conceiving that transit dues and *le-kin* are identical, they contend that to levy the *le-kin* on duty-paid goods in the port-town at which they are sold, or in the country between the port-town and the transit duty collectorates surrounding it, on ground that is, that has to be traversed before a transit duty can become leviable, is a violation of the Treaty. The Amoy community, consequently, would suppress it, at least, within a six-mile radius of their port. The Foo-chow community would have a larger area, that should include the two *hien*, or Magisterial Districts, on the confines of which the city of Foochow stands, exempted from the *le-kin*. A large number would suppress it altogether. But the grand remedy advocated by those who should know their own business, is residence in the interior, and navigation of the inland waterways of the country in boats and steamers foreign-owned, and consequently exterritorialized.

I have laboured at great length to show that the *le-kin* and the transit dues are so far as we are concerned, imposts of a totally different character; that we may fight any augmentation of the latter by Treaty, but that the Treaty will not help us against the *le-kin*. On the suggestions, therefore, that it should be wholly, or even partially, suppressed, I shall offer but this additional remark, that, if we could drive the Chinese to

admit that the present mode of levying the war tax is in breach of Treaty, there is, in my belief, nothing to prevent them turning our flank by a change in its denomination. A house tax, shop tax, or corporation tax, would effect the same object, and press almost, if not quite, as grievously as the *le-kin* on our trade.

As to residence in the interior, not only would this not free trade from the *le-kin*, but, even were it in some degree to lighten its weight, my impression is that the right so to reside would not prove an advantage so superior to that which we already possess under Article IX, as its claimants have manifestly persuaded themselves it would; nay, that we should in the end pay heavily for it. By Article IX, as I read it, our merchants have the right to visit any producing ground or import market they please; they can contract. if it suit them, with the producer for exports, and under Article XXVIII, they can certificate them to the port of shipment; or they can contract with the native dealer in imports, and can send their goods certificated from the port to his house. These are their Treaty rights under the Articles cited, no fraction of which am I for surrendering. To the means of securing their better observance I shall return immediately. But I am at a loss to understand how a right to reside more permanently inland is to be exercised by our merchants without their subjecting themselves to the very inconvenience against which a large majority protest, namely, to that multiplication of establishments which has already cost our China merchant so dear.

I am speaking of the trade in its larger branches, import and export. In the latter especially, the buyer of tea or silk who resides in a city near the producing grounds, will gain but small advantage, if any, over the resident at a port, so long as the latter has the freedom to visit the same grounds that he now enjoys under Article IX; for the inland resident must either have a second establishment at the port, or he must ship his exports through an agent there. The import trade has, no doubt, *primâ facie* this advantage, that from the inland point of distribution, our manufactures will have an improvsd chance of circulation; but, against this, surely, must be set a vast increase of risk and expense. There must be an accumulation of foreign-owned stocks at this inland centre. If not, we want no more than the right to visit native constituents assured us by Article IX. But if foreign-owned stocks are to be accumulated, there must not only be a foreign agent or agents on the spot to look after them, that is to say, a branch establishment small or great, but premises of considerable extent must be either hired or purchased for their reception. Now the feeling of the British community, to judge from its expression, whenever the opening of a new port is named, is strongly opposed to the old rule of exacting so-called "concessions" of land for the exclusive occupancy of the foreigner; and, although our objections may, perhaps, rest upon different grounds, I admit that there is abundant ground for objection to the practice. Politically, no question to my mind, more falsifies our position in China than the land question, and I believe that to no cause commercially speaking, is more misery traceable than to those speculations in land and building, which no precautions or regulations have proved sufficient to prevent. Shanghae is a salient example. I should be well pleased that we were to hold no more land anywhere.

And yet, notwithstanding, all that can be urged against these "concessions," I should be sorry, for the reasons I have given elsewhere, to see a large number of British merchants, or a large amount of British property at the mercy of the mischances to which they would be liable in a Chinese suburb even at a port. We are not free to ignore our experience at Canton. It is this that drove us in 1843 to the isolation of our factories at other points. In 1856, for want of a similar precaution, we were burned out in a night at Canton itself, and our factory site there is now, in consequence, thoroughly insulated by the river. And although, at some points, eminently, as I conceive, at Shanghae, our merchants may have allowed themselves in later years to forget the particular object contemplated when the land for building sites was first set apart for them, they are indebted to the insulation of their factories for security of their lives and property to a degree simply impossible in the heart of a native population, housed as the Chinese house themselves. Shanghae affords, as I have said, a salient instance of the abuse of these concessions; but there is no place in China, perhaps, which, on the other hand, supplies us with greater argument for the necessity of their existence. But for their isolated position, the foreign community there might have suffered untold loss in the years 1853-54 and 1859-60. And if our merchants are to congregate in any number in a Chinese town or suburb inland, I shall be much mistaken if we do not soon find the necessity of a land-concession forced upon us; and this not only for security, but also on the score of convenience. Concessions may not for the moment be desired by those who have already accommodated themselves at the ports, and who may not impossibly have more land and buildings on their hands than they could wish; but there will be no English community

of any magnitude at a place that will not cry out for space, space for more comfortable habitations and convenience of business, space, perhaps, "for pleasure and healthful recreation."

The words I quote are those of the Foo-chow Memorialists. They think that, for the above purpose, foreigners who, in the altered state of trade, are about to spend years in China, may claim the construction of roads of the Chinese Government. The land required for the roads could only be procured by foreigners at a ruinous expense, because the landowners would "squeeze," that is, would run up the price of their land, if they found that the wealthier foreigner was in quest of it; whereas the road could be constructed by the local authorities at a small expense, that is, either by compelling or persuading the inhabitants to let the foreigner have the land at less than their demand.

I have gone out of my way to notice this proposition, not from any desire to reflect upon the gentlemen subscribing the Foo-chow Memorial, whom I believe to be as fair-minded men as any in China, nor because I do not sympathize with any of my countrymen condemned to years of exile at a Chinese port; but because their manner of stating it is strikingly illustrative of the difference a change of sides will make in our estimate of what it is just in us to claim and reasonable to expect in China. There are other countries where, so far from looking to get a foot of ground for exercise by Government intervention, we have had trouble enough to procure a resting-place for our dead. The plea for official interference in this case—and it is not a new plea, or one confined to Foo-chow—is, that the Chinese landowner, knowing that the foreigner greatly wants his land, and has the money to pay high for it, will hold out for an amount far beyond its ordinary value. But this is precisely what the foreigner does with his land, or with anything else for which there is extraordinary demand, be the purchaser foreigner or native. The foreigner's official, happily for him, can never compel him to part with his own to either purchaser for less than he chooses to take for it; but let us suppose that, in any transaction with the Chinese, in the sale of a steamer for example, the seller's Consul were to exert himself at the instance of the Chinese Government to make a better bargain for it. I incline to believe that his negotiation, if not denounced in stronger language, would at least be characterized as impertinent.

It is indeed provided by Article XII, that the land we require for houses, warehouses, churches, hospitals, or burial-grounds, shall be purchasable at the ruling rates, and without exaction on either side, and at the ports opened by the Treaty of Tien-tsin, official intervention has been invoked to prescribe the rate at which the proprietors whose ground was desired for this purpose should be reimbursed. At some places, Tien-tsin for instance, we heard no complaint; it is possible that no one was disposed to complain; but the peace of 1860 was very recent, and a large allied force was still on the spot, which may have accounted for the silence of the expropriated. The rate of compensation was without doubt a fair rate. But, then, so was it elsewhere: for example, at Hankow; and yet there we had considerable difficulty before the ground was delivered over to us. So, in my belief, as a rule we shall have, especially at places of greater importance, wherever we want a land concession. I repeat, at the same time, that wherever a large number of foreigners is gathered together, the concession is a want with which, though they may not claim so liberal a provision for their recreation as the Foo-chow community, they will find it hard on the score of convenience to dispense.

But, when the concession has been obtained and insulated, there will still be wanting that which alone guarantees the inviolability of the port concessions. The inland centre will not be accessible to a man-of-war; and in the event of a popular tumult, an insurrectionary movement, a revolt of disbanded soldiery, or any other of those misadventures for which, until the Empire is somewhat better in hand, we must be constantly on the look-out, the property of our merchants, whether they be housed upon ground specially set apart for them, or dotted here and there amongst the Chinese, must be left to its fate; and upon its destruction will follow all the complications that similar catastrophes involve in China or elsewhere. We have the right, at this moment, to reside at Chao-chow, the large city of which Swatow is the port; but the gentry, that is, the lettered class of the neighbourhood, are against the residence of foreign officials or merchants within the walls, and they have succeeded in exciting the lower order of the people (than whom, it is true, there is no fiercer race in China) to demonstrations of more than ordinary violence whenever the Consul has attempted to pay a visit to the authorities. The Central Government does not dispute our rights, but until the temper of the gentry change, which will not be soon, I could not recommend that British merchants should make trial of their privileges of residence in this city, although, from what I have learned lately, it might be visited without danger under passport. It is thirty miles up a river, and were we committed to hostilities because the Central Government could not or would not bring its

inhabitants to reason, we should probably effect nothing without a land force. There are plenty of places at which the better class will be as little likely to welcome foreign residents as at Chao-chow.

In a word, the point of residence may not impossibly be yielded by the Chinese, though not, I should think, without a stipulation regarding the appointment of Consuls; but, whether with this condition, or without it, the risks besetting a foreign community residing inland are, and for some time to come will be, great; while the advantage to be derived from such residence will not, in my judgment, be found such as to compensate the inland resident for exposure to them. I shall be agreeably surprised if many months elapse before the cession of the privilege become matter of regret both to the Chinese Government and to our own.

The other remedy, the navigation of the lesser streams and canals in foreign-owned steamers, lighters, or other craft, would be equally ineffectual against the *le-kin*, nor would it avail more against the overcharge of transit dues at the barriers than the measure, sometimes resorted to, of putting a foreign agent in charge of the native craft, chartered to carry imports inland, or exports to a port, unless the interference of the native collectors *en route* is to be resisted on the ground of exterritoriality. Much as we have to complain of, I do not think it fair to ask the Chinese to throw open all their inland water system to foreign flags. I know no country that, with its eyes open, would consent to what will happen in China if such a right of navigation be conceded. Mr. Winchester contends that when it suited the authorities in Kiang-Su, they were only too glad to see gun-boats and other small steamers pushing their way towards Soo-chow. The period alluded to is that of the occupation of Soo-chow by the Taeping insurgents. with the country depopulated, with no revenue to collect, and with an enemy in their front, the authorities were no doubt well pleased at any movement on our side that might produce an effect upon the enemy. If I recollect rightly, silk was on some occasions carried or towed by steamers through the rebel lines. The recapture of Soo-chow in the summer of 1864 put an end to this state of things, and however serviceable the presence of small foreign vessels may have been found in that neighbourhood during the occupation of the city by the rebels, it is not to me astonishing that, the country in question once more freed from war, objection should be taken to their appearence there. And this for more reasons than one. Independently of the objection, on general political grounds, that I believe any power would make to such an extension of privileges, the Chinese have a right to apprehend that if exterritorialized boats are to traverse the country there will be great increase of smuggling, both on native and foreign account; that the executive will too probably, in many cases, be intimidated or deforced; and, if steamers run up the creeks, that there will be not unfrequently collision between them and native craft, in which, no matter which side is to blame, explanation and reparation will be scarcely possible.

I am for confining the foreign flag, therefore, to the Treaty ports, or to such points as may be opened as halting stations for steamers, on the sea-coast, on the larger rivers, such as the Yang-tsze, or the great stream which crosses the Two Kwang Provinces, or on the Lakes Poyang and Tung-ting. These are great highways of trade, movement along which no more imperil the integrity of Chinese jurisdiction than the navigation of the St. Lawrence imperils ours. For the protection of our goods *in transitu* against overcharge of dues, I fall back upon Article XXXVIII, the terms of which enforced, we shall pay no more transit duties than are fair.

But while I am against the appearance inland of the foreign flag with the exterritoriality which would interfere unfairly with the surveillance of inland revenue, I see no objection to a limited use of small steamers or foreign rigged vessels, if they are more convenient to our trade, provided that they be not exterritorialized.

With this proviso, it would not be unreasonable to expect that the Chinese Government should allow these vessels to register themselves at the open port Custom-houses, just as the lighters now plying in the Treaty-port harbours are registered, and to run under license to particular points, reporting themselves on departure and return to the Customs. The waterways that they are to proceed along should be declared, and in particular the streams to be navigated by steamers should be carefully selected. The possibility of a licensing system has been suggested by some of the Memorialists on revision, but, as I understand them, coupled with the condition of exterritoriality. To this, I repeat, I am decidedly opposed. I would stipulate against embargo being laid on any licensed steamer or lighter; but I would have no craft running inland that the Chinese Customs Executive should not have power to board. To the interposition of the Chinese foreign establishment, to judge from the general tone of the Memorialists, the same objection would not be felt; and it will be greatly to the advantage of both Chinese and foreigners if the Chinese Government can be induced to place branch offices of the Inspectorate inland. I am, in

all that regards our intercourse with China, for gradual inprovement, rather than for sweeping changes; and I should, in this case, be glad that we were satisfied for the present with just such an instalment of inland navigation as the Chinese Government can prove to us it can afford to put under the foreign Inspectorate.

But whether our transport of goods to or from the Treaty ports be placed under the Inspectorate or no, I am for a strict enforcement of the transit-duty clauses of Article XXVIII, as it now stands. We have reached a fresh point of departure, and I should insist, first, that all duly recorded claims arising ont of plain breach of this Article be satisfied. Unless they have been disposed of in the last twelve months, there are some which have been the subject of correspondence since 1861. I would further have the Central Government formally advised that, henceforth, whenever a British merchant can prove his complaint that imports or exports, being *bonâ fide* his property and certificated, have been taxed *in transitu* in excess of the charge authorized by Treaty, he must be indemnified on the requisition of his Consul, at once, by the Superintendent of Customs at the port at which he, the complainant, resides; that if the Superintendent demur, the Consul will report the case to Peking, and Her Majesty's Minister will communicate it to the Yamên, in order that the necessary instructions may be forwarded to the port in question; and that if within three months of the communication to the Yamên its instructions have not been acted upon, the Consul will be authorized to deduct such a sum as will suffice to indemnify the complainant from the duties due on any British ship about to leave the harbour. I distinguish advisedly between the enforcement of indemnification in such a case as this, and in cases such as claim the action of the Chinese Government under Article XVIII. In the latter, the Government is not at any rate directly the offender; it may, indeed, happen that with the best intentions the Government will find it difficult, if not impossible, to deal justly with claims arising out of such cases. But in the position here supposed, the Government is directly the offender; the truth of the allegations against its employé is put beyond all doubt; and the offence itself being a surcharge levied in breach of revenue laws as established by Treaty, the British subject surcharged is simply repaid out of the revenue on British trade.

I need hardly say that I am not for the insertion of this threat, for it is nothing else, in a Treaty; but, again the present crisis must be regarded as providing a fresh point of departure; and well pleased as I should be that any intimation to the Chinese Government on the subject were made to it in the least offensive form, it is desirable, if the suggestion meet with the approval of Her Majesty's Government, that the Government of China should be left in no doubt upon that point. The best guarantee against infraction of these clauses by the local authorities will be the certainty that it is useless to defy them, and the same certainty will tell beneficially upon the Central Government, which we in reality serve whenever, without overt act of violence, we oblige it to compel its servants to observe the Treaties.

And now, taking it for granted that we shall henceforth carry certificated merchandize from one given point to another at no higher than the stipulated transit-duty charge, there will still be left upon our trade the indirect but far heavier pressure of the *le-kin*, or other local imposts, much of which, as I have allowed, is unnecessary, but of which much is indispensable, and immediate abolition out of the question. The Foo-chow Memorialists say, equalize it at all the ports. This would be a dangerous proposition, for, if it were accepted, the native trader might be saddled, everywhere and for ever, with a tax, which, so far, Chinese statesmen defend only on the ground that it is but levied only to meet the temporary wants of particular localities. I should prefer a measure that would promise to bring it within reasonable bounds, and there occurs to me but one that will do anything towards this end. The excessive abuse of the tax by the Provincial Governors is facilitated by the ignorance of their financial operations in which they keep the Central Government, or in which, for the reasons I have elsewhere stated, the Central Government chooses to remain. The provinces, no doubt, send up, sooner or later, their formal budgets, and the deficits on the fixed quotas in these, are just now easily excused; but of the amount of fluctuating taxation called for by present or impending necessities in excess of the regular revenue, there can be no return even of the partial value that the Customs statements used to possess before the introduction of the Inspectorate. If any return be made at all, it is not, I am persuaded, of one-tenth of the moneys collected. Of the extent, for instance, to which, in 1856-57, Commissioner Yeh taxed the districts immediately surrounding Canton, the Central Government could have had no idea. The British merchant who is taxed through his native constituent, knows only this, that his imports have hardly left his premises before they are taxed, and that in some cases the delivery of produce which he has agreed to buy for so much, is delayed until he shall have paid so much more to defray the charges claimed of the native salesman by the *le-kin* collectorate;

but he may be, to a certain extent, deceived in either case by the native buyer or seller; and, whether they play him false or not, he is at least entitled to be accurately informed of the limits of this taxation, which, though not absolutely direct, yet touches his trade so nearly. The limits vary from time to time, and it is but fair that he should be duly advised of their change. On this ground, therefore, I should claim of the Central Government a periodical declaration of the *le-kin* charges ruling in the different provinces, and an engagement that the rate be nowhere raised without a formal intimation of its increase through the Central Government to Her Majesty's Representative. To be enabled to make such a declaration, the Central Government must exact a return from the Provincial Governments, the correctness of which would be more or less checked by returns which the Consuls should be directed to make of the *le-kin* rates reported by the mercantile community, to prevail in their respective districts. My hope is, that the Central Government once compelled to avow its cognizance of these burdens, which are not less complained of by the Chinese than by the foreigner, will bestir itself to moderate the pressure which it now inclines to ignore, and this will be a first step towards suppression of the war-tax, where there is no occasion for levying it. The very fact that cognizance is being publicly taken of it, will be of some effect in restraining the cupidity of the local Governors. But it must be remembered, that pleas for extraordinary expenditure abound; that disorder in that province may be made to excuse taxation in this, either to subsidize its neighbour, or to protect itself; also, that for years these Governors have been used to the appropriation, almost unquestioned, of the *le-kin* taxes. We must not therefore, expect that they will readily assent to the Central Government's inquiry into their application of these taxes, or that without some cogent argument the Central Government will be brought to institute any such inquiry.

The argument most likely to have weight will be this, that the impossibility of regulating inland taxation, if it continue, must in the end suggest to foreign Governments the expediency of freeing the ports. The foreigner pays on his imports about 5 per cent. in the shape of Tariff duties, not for the mere privilege of housing them on his premises, but, as it was believed, to enable him to sell them free of farther charges on all ground between his port and the inland Custom-houses nearest the port. For passing them inland of these barriers he should pay but 2½ per cent. upon value in addition to the Tariff duty. Yet he finds at Amoy, for example, that charges of one kind or another range from 5 to 90 per cent. upon value, and his imports are consequently unsaleable. If the Tariff protect imports so little, why not abolish the import Tariff.

With some variation, the same argument will apply to the export trade, which is now far more heavily taxed than before the Hong monopoly was abolished; and I employ it not in the expectation that it will procure relief from the whole weight now complained of, because, as I believe, much of that weight must continue; but in the hope that it may be brought somewhat nearer to what the exigencies of the provinces really demand. The suggestion to abolish the Tariff on these grounds, which would be, in other words, that the provinces be left *carte blanche* in inland taxation, would not possibly be ill-received by the Provincial Governors; but I am mistaken if it would not alarm the Central Government, as represented by the Yamên of Foreign Affairs, whose chiefs are also chiefs of the Great Council through which the Empire is governed so far as it is governed at all; for, as I have before mentioned, the Central Government, it might be more proper, perhaps, here, to say the Court, now draws and applies nearly half the total of the Tariff duties. It has no other fund so large, and none so regularly paid. Be its alarm ever so great, the action taken by it will be slow. The Decree calling for the provincial return will be for a time disregarded, or at the best tardily obeyed. But there will be a fresh beginning of beginnings, and this in China is always something to have attained.

In the mean time, while its improved freedom inland is being slowly brought about, the import trade will be, in my judgment, best relieved by the opening to it of fresh points of delivery along the sea-coast and the shores of the larger lakes and rivers. We should not, I think, ask for any port on either at which it will not pay to put a Custom-house under the foreign Inspectorate; but Wen-chow and Chin-chew would suit both the Government and the foreign merchant. It would be not less to the advantage of the Government to open Tin-pak, or some other port on the west coast of the Canton Province, and there are other points at which branch Customs dependencies might be established on the same footing as at Kelung, the north point of Formosa. The collection of duties there is managed by the Custom-house at Tam-shui, British vessels clearing through the Consulate at the latter port.

With the assistance of the Inspectorate again, effect might be given to Mr. Winchester's suggestion that steamers should be allowed to stop at certain landing-places along the shores of the Great River between the river-ports already open. I would push this even

farther. Liberty might be obtained for steamers to ascend the river, if possible, to Chung-king, in Sze-chuen, or at least to the rapids of Kwei. These are on the frontier of Sze-chuen; and it will always conduce to the smoother working of the transit-duty clause that goods which have to traverse any province should be shipped or landed at a port within the limits of the same province, especially where it is one of the dimensions and commercial significance of Sze-chuen. Farther, I would have the Tung-ting Lake opened to steamers, and either Yo-chow or Chang-teh, or both, declared Consular ports. The province of Kwei-chow is drained into this lake, a country abounding in tea, much of which used in former days to find its way to the Canton market as tea of Oo-pak or Hu-Peh.

The Tien-tsin Memorialists would also have steamers on the Yellow River. The old course of this is certainly no longer navigable, and of the new course too little is known, at least to me, to justify an opinion for or against their recommendation..

I adhere to the opinion I have earlier stated regarding the expediency of placing Consular Agents at all points at which we leave British communities: but I do not expect to see a British community formed at every point that I would open to our shipping. There will certainly not be one formed unless the number of British residents in China very considerably increases. But if there are not resident communities, the method of doing business with the Chinese must greatly change. In much, the British merchant in China is still bound by the traditions of the East India Company. The rule has been, the erection of spacious residences, and the maintenance of expensive establishments, and not only at one port or two; some firms will have had them at as many as four or five ports. There must be an end of this, and there must be in lieu of it, if we are to trade with many places, either on the coast or up the country, a condescension to business on a less pretentious footing. Messrs. Jardine, Matheson, and Co. would have liberty to open hongs, but not shops in the interior. I should say, on the contrary, whether in the interior or elsewhere, shops rather than hongs; for it is my impression that a retail trade would best make head against the action of the *le-kin*. At the subsidiary ports, were it arranged that no imports but such as were certificated duty-paid, should enter them, it is possible that the same kind of business might be done on the deck of the steamer or coaster that carried these goods; but I cannot say how, practically, this would work. Before 1858, opium was sold, in small quantities as well as large, from on board the receiving ships, and, when opportunity offered, by the clippers; but the opium trade in these vessels was conducted by establishments of such strength—the article itself was in such request—that I should not venture to infer from operations in it the practicability of such a parcel trade as I am here suggesting.

In Manchuria Proper there seem to be no barriers inland except along the palisade lines which separate this province from that of Kirin and from Eastern Mongolia. I should still claim freedom to bring down Manchurian exports free of inland duties to Newchwang, paying, if they came from beyond the palisade, the palisade dues; but I should consent to the levy of the half-tariff duty on all imports landed at Newchwang, provided that such imports as were carried by foreigners through the palisade line were cleared of the palisade duties by this payment, and provided that opium were cleared inland not only in Manchuria, but throughout the Empire, in the same manner as all other imports. I urge this concession to the Manchurian Customs, and this counter-concession regarding our opium for one and the same reason, that trade and taxation will be regularized thereby, and a cause of discussion avoided. I cannot indorse the opinion of Messrs. Jardine, Matheson, and Co., "that the use of opium is not a curse but a comfort and a benefit to the hard-working Chinese." As in all cases of sweeping criticism those who condemn the opium trade may have been guilty of exaggeration. They have been especially mistaken in representing the British Government and people as responsible for the introduction of opium to the knowledge of the Chinese; the Chinese knew it long before we brought them opium from India. But it is impossible to deny that we bring them that quality which, in the south, at all events, tempts them the most, and for which, consequently, they pay dearest. It is to me vain to think otherwise of the use of the drug in China than as of a habit many times more pernicious, nationally speaking, than the gin and whisky drinking which we deplore at home. It takes possession more insidiously, and keeps its hold to the full as tenaciously. I know no case of radical cure. It has insured in every case within my knowledge the steady descent, moral and physical, of the smoker, and it is so far a greater mischief than drink, that it does not by external evidence of its effect expose its victim to the loss of repute which is the penalty of habitual drunkenness. There is reason to fear that a higher class than used to smoke in Commissioner Lin's day are now taking to the practice.

Lord Elgin obtained the admission of opium into the Tariff, with a view to regularizing

a trade which, as it was then carried on, was incompatible with Treaty obligations, the Chinese Government being unprepared, even, if still disposed, to deal with it as in breach of Treaty. He objected to its inclusion amongst the commodities we were to carry inland, because he thought that while accepting the opium trade as an inevitable evil, we were bound to do nothing that would quicken the trade, and that the trade would be quickened if foreigners were, as his Lordship expressed it, authorized to scatter the drug broadcast through China. After ten years' experience, I am of opinion that the consumer will be morally none the worse off if we do become carriers of the opium inland; the whole stock we bring is unfortunately sure of a sale; but the freedom left to the native authority to tax the drug *in transitu* at what rate he pleased, has been without doubt abused; the inland duty has been raised at times to double the Tariff duty, and the weight of the impost and the uncertainty of its variation are distressing to the native trader, and through him injurious to our trade. It would pay us to allow a more liberal rate of Tariff duty, or transit dues, or both, were this made the condition of a right to carry opium inland, and the simple question of our merchants' profit apart, our general trade would gain by the regularization of this traffic. If it have any single merit, it is that it acts in China as a pioneer to all other traffic that may be practicable.

It might seem that throughout these observations, the immense length of which I trust may be excused by the importance of the question to which they relate, I have insufficiently regarded the interests of the export trade. It does appear to me, I admit, that this can take far better care of itself than the import trade, which is not only crippled, but at some points paralyzed, by the *le-kin*. The sum of my suggestions regarding this tax is, that we should work for the abatement of it by forcing cognizance of its excess upon the Central Government; and that the hindrance opposed to increased circulation of our imports, by so much of the same tax as it may be impossible for the Chinese Government to forego, should be diminished by multiplication of our centres of distribution. And these for safety's sake, I should prefer, for the time, to see chosen at points accessible to our larger vessels, rather than in the interior.

I do not forget or unsay what I have earlier stated regarding the weakness and timidity of the Central Government; but I am not without hope that it may be brought to put forth the power it certainly possesses in the manner I desire: first, because it has now a direct interest in the duties on foreign trade; and, secondly, because, however reluctant it may be to move against officials in high place, experience has shown that, although slow to act upon isolated representations, it does not either always dare to be deaf when charges reiterated against such persons are publicly pressed on its notice.

I should have mentioned earlier that where imports come back from the interior unsold, the transit duty ought in my opinion to be returned to the importer.

Articles XXIX, XXX, and XXXI regulate the tonnage dues, their rates of charge, and the conditions of exemption from them.

The Foo-chow community suggest that vessels in ballast should pay none. I was under the impression that it had not been usual to charge any except where cargo was carried into or out of port, unless the ballast were itself of a dutiable or marketable commodity; of coal or of copper cash for instance. If the usage be otherwise, I would have all vessels in ballast, the same not being either dutiable or marketable, exempted, at least for a liberal term of months. That term expired, I do not think that it would be hardship to exact from such vessels a proportion, half or less, of the tonnage dues. They have the use of the port and the advantage of the expenditure to which it is agreed in Rule 10 of the Tariff that the tonnage dues shall be specially affected; I mean that to be incurred in the provision of lights, beacons, and other similar requirements. It would be reasonable, on the other hand, to exempt distressed vessels, as the Amoy community suggest, when obliged to land damaged cargo, if none but the cargo so damaged be landed, or, in other words, when the ship does not discharge for purposes of trade.

Complaints are general regarding the non-application of the tonnage dues in the manner agreed to, and the neglect to improve, by dredging and like means, the approaches to various ports daily becoming more difficult of access; notably the approaches to Taku, Shanghae, Foo-chow, and Canton. The Hong Kong Memorialists would have one-fifth of the tonnage dues collected at each port placed in the hands of two or more Consuls to be by them expended in providing beacons or lighthousses; indeed, unless the Government of China better discharges the obligations undertaken by it under Articles XIX and LIII, in respect of protection against and suppression of piracy, the same Memorialists would recommend the complete abolition of tonnage dues, and, as it is, suggest that a portion of the dues levied, not only on British but on all foreign vessels, be returned half-yearly to Her Majesty's navy for the services rendered by it on the coast of China.

The two latter propositions do not seem to me to require any particular remark; and

of the first I will only say that, although much remains to be done, the department responsible has done something, and is, I know, doing more. By Tariff Rule 10 above referred to, the Chinese Superintendent of Trade, assisted by his foreign establishment, was to supervise the application of the tonnage dues to the important objects specified. There are two high officers with the title of Minister Superintendent of Trade, the one having under his care, in that capacity, the three northern, the other the ten remaining ports, but the superintendency of foreign trade is in reality vested in the Yamên of Foreign Affairs, an institution not existing when Lord Elgin signed his Treaty; and by desire of the Yamên the foreign Inspectorate of Customs has also its head-quarters at Peking. I speak guardedly as to the extent of its action, because I have no statistics before me, but I repeat that, to my knowledge, the Inspectorate has not been idle, and so long as that establishment is constituted and directed as at present, I have full faith in the works called for proceeding as rapidly as if the Consuls were formally invested with more power than they now possess to interfere in the application of the funds in question. The Consuls have by Article XXXII a consultative voice in this matter, and by virtue of their office the fullest right to urge, remonstrate, and represent; but I am in every case for abstaining from even the appearance of a desire to exclude the Chinese from the direction of work properly belonging to a department of Chinese administration.

The Government will need reminding, no doubt; for it has, at least in the matter of beacons, &c., nothing but the foreign interest to serve. The improvement of the navigation by dredging machines would, at some points, Taku, for instance, advantage the revenue, as vessels of heavier burden than can at present enter the port of Tien-tsin would be enabled to frequent it, and the trade which is now on its trial in sailing-vessels direct from England would be quickened as much to the benefit of the Chinese Government and people as our own.

By the same Article XXIX, vessels trading between the open ports of China, or between Hong Kong and the open ports, can be by a Customs certificate issued on their first payment of tonnage dues, exempted from any further payment for a period of four months reckoned from the date of their first port clearance. The Hong Kong Memorialists would extend the term of exemption from four to six months, and would enable any vessel certificated to resort not only to Hong Kong, but also to the Straits Settlements, the Philippines, and Japan. It is true that in 1865 the French, by surrendering certain privileges to which they held their Treaty to entitle them, did obtain extension of the benefit of the four months' certificate to their steamers trading with Japan and Saigon. The late Minister of Spain, in his Treaty negotiated about the same time, was refused a like privilege for Manilla, and from the Amoy Memorial it would seem that he has not since carried the point. If he has, of course we benefit by it; but the extension conceded as above to the French, inasmuch as, by the favoured-nation clauses of foreign Treaties, it accrues equally to all other nations, has already cost the Chinese a large sum upon the revenue derivable from those tonnage dues, about the application of which to the objects above mentioned, foreign nations are all alike so urgent. We have nothing to offer in exchange for what it is proposed we should exact; and I confess myself on these grounds averse to any demand that will involve a farther reduction of this branch of revenue, whether by the extension of the term for which the exemption certificate now runs, or by the inclusion of fresh foreign ports within the area of its availability.

Under Article XXXIII, the Memorialists of Hong Kong and Hankow call for removal of an indisputably great abuse, the arbitrary alteration of the standard of the silver required in payment of duties by the Customs receiving offices known as Government Banks. The Chinese Government coins no money but its wretched copper cash. The accounts of its collectors of taxes and duties are still kept, as for centuries they have been, not in coin, but in weight: in the ounce, or, as we call it, the tael of silver, and its tenths, hundredths, and thousandths, known to us as mace, candarines, and cash. The taxpayer tenders his payment in strings of 1,000 cash, or in bullion; the foreigner, his duties in bullion or foreign coin: but whatever the nature of the tender, the receiving office has to remit the revenue collected in sycee, or silver of a certain purity. It is this Government standard of silver, the sycee demanded by the banks attached to the Haikwan or Custom-houses, that the Hong Kong Memorial speaks of as an "all but visionary currency." Its value relatively to other bullion or any kind of foreign money tendered in payment of duties should be, under Article XXXIII, the value fixed by an assay made in order to the settlement of this particular question in 1843; and I do not remember to have heard anything alleged on the part of the Chinese against the justice of this arrangement. It has been throughout, however, practically inoperative. The receiving offices at various ports, if not at all, have been used, with the connivance, of course, of the local authority, gradually, and in some instances suddenly, to raise the rate of exchange; and the rate once raised,

like the war taxation, appears never again to fall. I had occasion in 1865 to remonstrate strongly against the practice at Amoy, where the premium charged had risen to some 7 per cent. At Foo-chow, where a certain description of dollars had been received in payment of duties with a premium of 6 per cent., the per-centage, according to the Hong Kong Memorial, has recently been raised to 10 per cent.

The same Memorial suggests, as a remedy, that at Canton, Swatow, Amoy, and Foo-chow, the dollar should be received in duty-payments on the same terms as in general commercial transactions. This, they represent, would not only be a convenience to trade, but might be the means of introducing largely into China the dollar coined at the Hong Kong Mint. The Hankow Memorialists would make duties payable in the currency, that is the bullion of each port; but would have the currency of all the ports assimilated by Government assayers appointed for the purpose.

The last is a profitable suggestion, which I shall take leave to modify. Until China has a coinage, it is only by some measure of general supervision with a view to uniformity of system, that the inconvenience of the present system can be obviated. The other propositions could not be accepted by the Government without a considerable sacrifice. The sycee of commerce is at no port of the standard of Government sycee, in which by Treaty we have agreed to pay our duties; at some ports it is much lower; at the same port it will vary in degree of purity; and the exchange of the dollar in trade is of course regulated by the price of the former. By trade I mean trade in China, where the value of silver, be it coined or in bullion, is again ultimately determined by the state of the copper cash market. I do not think that we can fairly call upon the Chinese to give up the premium to which they are legitimately entitled. To secure our merchants, on the other hand, against paying a higher premium than this, it does not seem to me necessary to alter the text of the Treaty. But, as in the case of the *le-kin*, it will be necessary to bring the observation of the Central Government, *nolens volens*, to bear upon the proceedings of the local authorities, and to this end I would have the Yamên of Foreign Affairs called upon to require every three months from the Inspectorate of Customs, a report of the rates of exchange ruling during the quarter, and of the rates of premium charged in duty payments by the receiving offices, the Consuls at the same time furnishing a similar report, with comments, to our Superintendency of Trade at Peking. The Inspectorate, were it not on other grounds as much above suspicion as I am happy to believe it, is a department entirely distinct from the receiving offices. No duty payment passes through its hands. Its business, so far as duty payments are concerned, is simply to clear vessels on the production of the receiving office's receipts for the duties or charges due upon ship or cargo. But it is a Chinese department, and by the association of its action with that of the Consuls, we prevent the possibility of an allegation that our statement, if we are obliged to complain, is one-sided. The foreign Commissioner of Customs at each port is, it is true, the subordinate of the Chinese Superintendent of Customs; bu I am not proposing anything that will make the Commissioner guilty of espionage. Th matters to be reported are within the knowledge of every one; but if the Superintenden be called on to report them, interested as he will not fail to be in the extortion of his subordinate agent in the receiving office, it is not to be supposed that he will report the truth, and his inaccurate report will be found a greater hindrance in a discussion with the Yamên than the absence of any testimony but the Consul's would undoubtedly prove. On this latter alone the Yamên might naturally decline to act, but with the report of its own official before it as well, it could scarcely refuse to issue instructions for the reimbursement of the merchant shown to have been charged an excessive premium; and although we do no Superintendent of Customs wrong in assuming that he benefits by the Government bankers' dishonesty, it is out of the gains of the banker that the surcharge will be refunded; and once satisfied that his offence will avail him nothing, it is at least possible that he may not repeat it. In any case his punishment, or his disqualification, is a question that the Yamên will have less difficulty in disposing of, than where an officer of the regular civil establishment is complained of.

I cannot close my remarks on this subject without expressing a hope that the Hong Kong Mint may be made to serve a very important purpose in connection with it. The Memorialists of the Colony are naturally eager to see the circulation of the colonial coin increased, and there may be that in its form and quality that would eventually give it precedence over the Spanish, the Mexican, or any other dollar known to the China trade, although, so far, it has failed to secure a preference over these. But it will always be a dollar; a bit of foreign silver to be exchanged ultimately for a number of copper cash which may not be the same two days running, or for such or such a weight of Government sycee, or less pure bullion, the price of which will rise or fall with the fluctuations of the cash market.

The Chinese population of the island, the 500,000 or 600,000 people who drift between it and their own shores, that is, from the Canton coast, are familiar enough with the dollar coin, but of necessity far more familiar with the tael weight; and if the Hong Kong Mint coins anything, it should coin the tael and parts of the tael. The tael being worth, say, seventy-five pence of our money, its tenth, the mace, worth seven pence halfpenny, would be a convenient silver coin. If any smaller silver currency were called for it would be best in the form of half mace, equal threepence three farthings. The candarine, worth at this rate three fathings, would, of course, be a copper coin; and below this again there might be five cash pieces, two to the candarine. The smaller currency, however, might be left for after consideration; the essential is the production of the tael, which once produced we might fairly call on the Chinese Government to accept in payment of our duties; I mean to accept as a revenue tael. As a piece of bullion it would no more be rejected than any other. Our merchants have somewhere about three-fourths of the trade, and the duties they pay annually may, therefore, be taken at not less than 5,000,000 taels. If the Colonial Government entertain this scheme, it must be prepared, as soon as it can produce the tael, to substitute a tael for a dollar currency. I can imagine no reasonable ground on which such a substitution can be objected to; the coinage of the tael will cost no more than the coinage of the dollar; the coin itself will be to the full as acceptable to the Chinese community on the island as the Colonial dollar, and, if nothing but Chinese words and symbols are seen on its face, a far better chance of extending its circulation on the main. On the other hand, we must expect no assistance immediately from the Chinese Government in the matter. The Central Government, or at least the leading Ministers of the Yamên, may be slowly bringing themselves to believe in the virtue of a coinage, but the mass of the official establishment would be shorn by its adoption of all the scrapings and parings which the weighing, melting, and other incidents of the primitive system now in force make their perquisite. Nor will the innovation be viewed with favour by many of our own countrymen; the creation of a Chinese currency, which is what I would see the Colonial tael become, can hardly be be desired by any one who now makes his profit on the fluctuations of the imported dollar. The tael must first exist, and a tael of such quality that, while the native trader loses nothing by it in his dealings with the foreigner, the loss to the Chinese Government will be too small to justify refusal to accept it as a tael in duty payment. This point gained, there will be security on our side against those complaints for which we have found it so difficult to obtain redress; while on the Chinese people we shall have conferred a boon which ten years hence Government and people will alike admit to be invaluable. It is the one service which, if the island is to continue a British colony, Hong Kong is capable of rendering to either Englishmen or Chinese.

I lay great stress upon the exclusive employment of Chinese words and symbols on the face of the tael coin. The copper coin of China always bears the style of the reigning Emperor, not his name or title, but certain words chosen when he ascends the throne as the historical title of his reign. This we could not well use on a Colonial coin; but the date of the coin might be shown by the words indicating the year's place in the cycle of sixty, which is the most ancient division of Chinese chronology, and as little distinctive of dynasty or country as the Christian, Mahometan, or other systems of reckoning time.

In a despatch dated 29th October, 1867, Sir Richard Macdonnell, Governor of Hong Kong, expressed his surprise that the people of the neighbouring provinces had not been eager to substitute the subsidiary coins of the Colony for the little lumps of broken silver they now use. I am not astonished at it. The change, like all changes in China, would need time to recommend it to favour, and a coin essentially foreign would have as little chance in China, on the score of convenience alone, as our three-penny pieces in France, if they were expected to supersede the half-franc. Long as the Chinese have known the Mexican dollar, and plentifully as that dollar has been poured into the country, I doubt that, save at the ports, and there only in transactions of comparative insignificance, the coin passes much among the people. I do not believe that any coin will have a chance of becoming their currency that does not refer itself directly to the decimal system they are so well used to; and its chances even then will be the greater the more it can divest itself of all sign of a foreign origin.

I pass on to fines and confiscations. The penalty of 500 taels prescribed by Article XXXVII for exhibition of a false manifest, appears to the Amoy Memorialists excessive, especially where the incorrectness of the manifest is unpremeditated. They urge, moreover, that the fine shall not be inflicted unless with the consent of the British Consul. The absence of intent is also made a point of by one of the Chambers at home.

As I have said above, I do not think that a Collectorate of Customs is a Department that can busy itself with considering *quo animo* a breach of regulations may have been

committed. The master has by Treaty twenty-four hours' law allowed him for correction of his manifest. If it can be established that this term of grace is too short, we might press the Chinese Government to lengthen it, say to forty-eight hours; but I am not for diminishing the penalty. If a very strong case of misconception be made out for the master, the Consul can always communicate it to the Superintendent, and press him to remit either the whole or part of the fine. Experience induces me to believe that that official will not be found inexorable, but I would have the penalty first awarded.

As to the necessity of the Consul's assent to infliction of the fine, I am entirely with the Memorialists. I think that neither this nor any other fine levied under Treaty should be levied otherwise than before a Consul. Confiscations are a different matter. The Treaty throws the whole responsibility of protecting the revenue on the Superintendent of Customs. Were it otherwise, the single bailiff or constable with whom we supply our Consulates, it needs no argument to prove, would be powerless to control any such irregularity as, under Treaty, might subject ship or goods to confiscation. The Superintendent's executive, in perfect conformity with the Treaty, seize the goods, and the goods once in the hands of the Chinese authority, the Consul can only help their owner, should he appeal to him, by requesting explanation of the Superintendent. I have elsewhere stated how, under the rules I published in 1865, an arrangement was effected by which the pleas in bar of confiscation can now be heard before the Superintendent, with the Consul as his Assessor. In other words, the British subject being complainant, the Chinese authority hears the charge preferred against his own employé. In the case of the fines leviable under Article XXXVII, or any other Article, the British subject is defendant, and it is plain to me that the Chinese authority cannot recover these except through the Consul. If, as has sometimes happened (and years ago I erroneously advocated that order of proceeding), the Customs refuse a vessel her port-clearance in order to exact payment of a fine, there must be in the end an investigation before a Consular Court in which the Superintendent of Customs must be represented; so that were appeal to the Consul in the first instance not obligatory under Treaty, the objection to appeal would but cause a vexatious delay. But I cannot admit that, where a fine is to be levied, it is not obligatory; and if the incompetency of a Chinese official to levy fine otherwise than through the Consul be still in dispute, it would be desirable to have it once for all authoritatively established.

The Superintendent of Customs at Canton urges the addition of a clause to this Article by which vessels intended to be used as hulks or, as they are called when used for residence rather than storage, "chops," should be reported like other craft, and for failure of report be subjected, like other craft, to the fine of 50 taels. If they fly the British flag, they are certainly liable. The Treaty clause needs no amplification.

Article XL provides for the confiscation of any goods transhipped from one vessel to another without special permission. Until lately, Hong Kong had the same advantages as a Chinese port for the purposes of transhipment: and that this was the intention of the Treaty, the Memorialists of the Colony think, is shown by the fact that vessels trading to Hong Kong are, by Article XXIX, entitled to the same exemption from tonnage dues, under four-monthly certificate, as vessels trading from port to port of China. The transhipment privilege has recently been withdrawn by the Customs, and the result, say the Memorialists, is that sea-going steamers (bound, I assume, coastwise), instead of being loaded at Hong Kong out of the light river-steamers plying daily between Canton and the Colony, are compelled to load and discharge in the port of that city; a port which for vessels of their deep draught is inconvenient. The change is described by the Memorialists as a blow at the shipping interests of the Colony, so aimed, it seems to them, from a desire to enhance the importance of Canton as a resort of shipping.

In the matter of tonnage dues, the interests of the Chinese revenue and the British vessel certificated, are alike sufficiently guarded by the certificate, which as I have above observed, may now be taken out not only for Hong Kong, but for Saigon and Japan; but the surveillance of transhipment, for which Article XL so jealously provides in the Treaty ports, is clearly impossible in the port of Hong Kong, or in any other port not under the control of the Chinese Customs. The value of the privilege to the Colony I do not gainsay. It is such that an eminent British firm, as I have been informed, expressed a wish rather to see a Chinese Customs Agency fixed at Hong Kong than to have it withdrawn. The reason of its withdrawal is, I feel sure, none other than that I have indicated, namely, that its continuance was found incompatible with the due protection of the revenue.

Mr. Robertson has moved the Superintendent at Canton to allow cargo to be transhipped or landed at Hong Kong, suggesting, in answer to the objection that packages so dealt with might be tampered with or exchanged, that each package should bear the Customs seal; and that the accompanying bill of lading should be stamped at the Custom-

house. There is nothing unfair in this, although, I fear, the precaution could only avail certain descriptions of cargo; such cargo, that is, as is packed in packages. The Chinese Government should certainly be appealed to on the subject.

This discussion of the privileges of the port of Hong Kong induces me to anticipate matter which should range more properly under Article XLVI. I fear that my digression can hardly be brief. I will do my best to make it as pertinent as possible.

It is, in the first place, worthy of remark that while the Hong Kong Memorialists protest against the stringency of Customs action in the supervision of transhipments, in this particular instance, as opposed to the spirit of the Treaty, and dictated by a desire to enhance the importance of Canton at the expense of Hong Kong. The Memorialists of Amoy insist upon it, that by the general slackness of the Customs much trade is being transferred from the Treaty ports to Hong Kong.

I extract the following passage from their Memorial:—

"We find that the tendency of Custom-house action, and the loose manner in which the Treaty of Tien-tsin is worded and carried out, is to take away much of ths general trade from Treaty ports and throw it into Hong Kong. Amoy, for centuries previous to the Custom-house being opened, was the head-quarters in the south of China of the trade with Siam, the Straits, and Java, but latterly very much of this trade has gone to Hong Kong. The trade also in Malacca tin, which in former years was a large and valuable one, has dwindled into insignificance. It is an undoubted fact that large quantities of this article are imported into Chinchew (which naturally in previous years got all its supplies from Amoy) by native lorchas from Hong Kong, and the Imperial revenue, as well as mercantile interests has suffered accordingly.

"We think that foreign goods and opium imported in native junks ought to pay the same duties as they do in foreign bottoms, and to effect this, these importations ought to be reported to the Imperial Custom-house.

"We also think that the Custom-house may be said to encourage tacitly, the continuance of smuggling at the non-Treaty ports, so long as they have not a sufficient preventive service on the coast. There is no doubt that smuggling by the natives does take place on the coast to a large extent, and that they are encouraged in it by the absence of revenue cruisers, and by the high Tariff dues and illegal taxes which obtain at Treaty ports.

"We do not think that the Custom-house does its duty, either to the Chinese Government or the mercantile interests, so long as an efficient preventive service does not exist. We think that there ought to be at least, one steam revenue cruiser for each Treaty port, with jurisdiction over all the neighbouring bays and creeks; and, as more than a suspicion of smuggling has already attached to the so-called revenue cruisers which are established on the coast, we think measures ought to be taken to prevent the possibility of smuggling by those vessels."

There is, I think, in the complaint here set forth a sufficient recognition of the value of a strict Customs service to our legitimate trade with China. It places every trader upon the same footing, and it was this object which Sir Rutherford Alcock proposed to attain, when, as Consul for Shanghae, he started a foreign Inspectorate at that port in 1854. But the words of the Amoy Memorialists at the same time give form to a conviction that must have been long common to those familiar with the history of Hong Kong trade, viz., that that trade can only thrive so long as no efficient preventive service is maintained along the south and south east coasts of China, or in defiance of such a service should one be created. An effective preventive service, such as the Amoy Memorial calls on the Inspectorate to substitute for the wretched cruisers to which "more than suspicion of smuggling has already attached," is, I have good reason to believe, in process of creation, and, inevitably, the trade of the junks now running imports to the main, will be seriously interrupted. The native revenue cruisers have already begun to search junks leaving the Hong Kong waters for opium, and a properly constituted executive will necessarily carry its inquiries much farther: for it is computed that by the contraband trade of junks frequenting Hong Kong and Macao, the Customs revenue is defrauded, in import and export duties, little less than 1,000,000 taels per annum.

By the passage known as the Broadway, principally, but also by other channels of the same water system, loosely styled the Canton River, exports descend in native craft to Macao, while from Hong Kong, which the intervening sea makes a less available port for the delivery of produce by junks, imports, especially opium, are run both in junks and small Colonial vessels to numerous points on the coast. This is the traffic by which, as the Hong Kong Memorialists delicately put it, the west coast of the Canton Province affords promise of being connected with Hong Kong. It is due to them at the same time to remember that this remark is coupled with a request that the port of Kiung-chow on

Hai-nan be formally opened, a measure which, I repeat, would do much to prevent the irregular trade now existing.

As it is, the Chinese Government is ill at ease about it, and no wonder. "The greater part of the foreign goods sold to places on the west coast in the prefectures of Kao-chow, Lien-chow, Hwui-chow, and Kiung-chow," writes the Superintendent of Customs at Canton, "is carried down [from Hong Kong] by junks chartered for the purpose by dishonest traders to out-of-the-way harbours and creeks on the west coast, where no Customs stations exist, and where the merchandize is clandestinely landed for sale." These proceedings are practicable, he says, because at "the locality of Hong Kong in Twang-tung,"—"China has no Custom-house, nor are persons stationed there for purposes of inspection;" and the remedy he suggests is, that the British Minister shall desire the Governor of Hong Kong to instruct the Consul at that place to put a stop to this smuggling of imports.

This is by no means such nonsense as it looks. For the Superintendent's confusion of the departments of our services, it would not be hard to produce a parallel out of conversations I have listened to between British subjects, nay British officials, concerning the relations of our services in India and China for example; but I will not waste time in apologizing for his ignorance. I have an object in tracing one or two of his misapprehensions to their source.

The form of the Superintendent's protest betrays his belief—a belief common to Chinese officials—that when British subjects were exterritorialized in China, the British Government undertook to restrain them from wrong-doing, and in this, of course, he includes the enabling or assisting of the Chinese wrong-doer to do wrong. In early days, as we remember, the Co-Hong not only collected the duties on the foreign trade which it monopolized, but controlled and was held responsible for all the proceedings of foreigners. By the Treaty of Nanking we appointed Consuls, and it is quite possible that the Chinese term we adopted for Consul (*ling-shih*, manager of affairs, or person superintending affairs), is supposed by many Chinese to be generic of all our subordinate civilians. In Rule XV of those appended by Sir Henry Pottinger to the Tariff of 1843, it is declared that, whereas "it has hitherto been the custom when an English vessel entered the port of Canton, that a Chinese hong merchant stood security for her, and all duties and charges were paid through such security-merchant, these security-merchants being now done away with, it is understood that the British Consul will henceforth be security for all British merchant-ships entering any of the aforesaid five ports.

What we meant by these words was, simply that the Consul would hold the ship's papers. What the Chinese construed them to imply, by the light of the code of the Co-Hong which they replaced, was a much more extensive obligation. And so far as Hong Kong itself is concerned, it is plain from the Supplementary Treaty negotiated at the same time as the Tariff, that Sir Henry Pottinger foresaw the very danger to the Chinese revenues now protested against, accepted for the British Government the responsibility of co-operating with the Government of China in its defence against that danger, and devised the very form of co-operation, for want of which the Superintendent at Canton here points out that the revenue is suffering. By Articles XIII, XIV, and XVI of the Supplementary Treaty which I quote at length below,* it was expressly prohibited that no Chinese vessel was to

* Supplementary Treaty signed at Hoo Mun Chai, 1843. "Article XIII. All persons, whether natives of China or otherwise, who may wish to convey goods from any one of the five ports of Canton, Foo-chow-foo, Amoy, Ningpo, Shanghae, to Hong Kong, for sale or consumption, shall be at full and perfect liberty to do so, on paying the duties on such goods, and obtaining a pass, or port clearance, from the Chinese Custom-house at one of the said ports. Should natives of China wish to repair to Hong Kong to purchase goods, they shall have free and full permission to do so; and should they require a Chinese vessel to carry away their purchases, they must obtain a pass, or port clearance, for her at the Custom-house of the port whence the vessel may sail for Hong Kong. It is further settled, that in all cases these passes are to be returned to the officers of the Chinese Government, as soon as the trip for which they may be granted shall be completed.

"Article XIV. An English officer will be appointed at Hong Kong, one part of whose duty will be to examine the registers and passes of all Chinese vessels that may repair to that port to buy or sell goods; and should such officer at any time find that any Chinese merchant-vessel has not a pass, or register, from one of the five ports, she is to be considered as an unauthorized or smuggling vessel, and is not to be allowed to trade, whilst a report of the circumstance is to be made to the Chinese authorities. By this arrangement it is to be hoped that piracy and illegal traffic will be effectually prevented.

"Article XVI. It is agreed that the Custom-house officers at the five ports shall make a monthly Return to Canton of the passes granted to vessels proceeding to Hong Kong, together with the nature of their cargoes; and a copy of these Returns will be embodied in one Return, and communicated once a-month to the proper English officer at Hong Kong. The said English officer will, on his part, make a similar return or communication to the Chinese authorities at Canton, showing the names of Chinese vessels arrived at Hong Kong, or departed from that port, with the nature of their cargoes; and the Canton authorities will apprize the Custom-houses at the five ports, in order that, by these arrangements and precautions, all clandestine and illegal trade, under the cover of passes, may be averted."

trade with the Colony except under a pass from the Chinese port to which she belonged; that an English official was to be appointed for the inspection of these junk passes at Hong Kong, any junk without a pass being detainable pending reference to China; and that there should be between this official and the Chinese authorities such an interchange of returns as would render irregular trade under cover of these passes impossible.

I was absent from China when the Supplementary Treaty came into operation, and I cannot say on which side the terms of the Articles quoted were first departed from. The story of our relations with the Canton Government from 1843 to 1856 need not here be retold. The rule of the Canton authorities was to have as little to say to us as possible. They may, indeed, have hardly seen their way with reference to the stipulated pass system, or the Hong Kong trade, which, except in the contraband drug, in those days came to little, may not have appeared to them worth their attention: the trade in the drug itself, so recently a cause of war, may have been their difficulty; or they may have had, and this too possibly, a corrupt motive for their inattention to it. At any rate no allusion, to my knowledge, was ever made in correspondence to the system by the Chinese, and on our side, certainly, no office was ever organized specially for the inspection of the passes. Junks used to be boarded by a Chinese sent down from the Chinese Secretary's office on which it devolved to prepare a return of native trade; but up to 1852, if no later, I doubt that the harbour-master even took note of the number that arrived or departed.

The junk trade of the Colony is now (I believe only since 1866) under what appears to be a very satisfactory system of registration and licensing. In October 1867 Sir Richard MacDonnell congratulates himself on being able to give the name of every junk and particulars of her armament, cargo, master, and destination, that had visited the island since the first of the year.

The necessary apparatus is ready to our hand, therefore, were we inclined to lighten the labours of the Chinese Customs executive by conceding a revival of the provisions respecting the junk trade, agreed to by Sir Henry Pottinger, but I have in view another scheme by which, while the Chinese Government would be enabled, with far less trouble to itself, to protect its lawful interests, the lawful interests of the Hong Kong people would be materially benefited.

Before proceeding to this, let me state my belief that Lord Elgin's exclusion of the above provisions from the Treaty of 1858, in which he incorporated almost all the remaining provisions of the Supplementary Treaty, is to be ascribed to the fact that they had been from the first unappealed to, and that the Chinese authorities with whom his Lordship negotiated Treaty and Tariff, never once referred to them. These mandarins were either northerns by birth, or so little identified with the Canton administration, that a question so local in aspect may have had no interest for them. The Canton Superintendent, or as he is popularly known to us, the Hoppo, who has now unawares brought forward much such an arrangement as Sir Henry Pottinger devised, has, independently of general reasons for desiring to see his receipts increase, a particular motive. The whole collection of Canton used, as I have said elsewhere, to be appropriated by the Court. The Canton Hoppo is always a servant of the Imperial Household, and in these needy times he has doubtless to meet an unusual demand for funds.

To return to the accusation preferred against the Colony by this functionary; it will not, I presume, be disputed that whenever a Colonial registered vessel flying the British flag clears out of Hong Kong for any place on the Chinese coast not being a Treaty port, she commits a breach of Article XLVII of the Treaty of Tien-tsin. Such voyages, however, will be few in comparison with those of the Chinese trading junks to the same or similar markets. For these we are not, I grant, technically responsible; but I think there is that in the circumstances of the case that makes it morally obligatory upon us to meet the Chinese Government half-way in dealing with it. By Article III of the Treaty of Nanking, which is still in force, we obtained cession of the island in order that British subjects might have a port whereat to "careen and refit their ships when required, and keep stores for that purpose." The abuse of any commercial advantages it might be found to possess was guarded against, as I have shown by certain clauses of the Supplementary Treaty, which, without I am persuaded any intention unfriendly to China, have been annulled; and our position is really this, that while we bind ourselves by Treaty to trade under Tariff at none but a dozen points or so upon all the sea and river shores of China the Colony that we have planted within two miles of the Canton coast enables junks to run imports duty free along a line of coast so extensive and so difficult (for it is in parts extremely difficult) of oversight, that it will employ as large a preventive force as would suffice to watch the whole of the open ports put together.

By Article XLI it is provided that, when all dues and duties shall have been paid, the

Superintendent shall issue a port-clearance (commonly known as the Grand Chop), which issued, the Consul shall return the ship her papers.

It is urged that foreign vessels are aggrieved by the action of the Customs in withholding the Grand Chop of the vessel to enforce payment of duties on the goods. "The interest of the ship-owner and goods-owner are entirely separate," says Mr. Winchester, "and to make the ship responsible for the default of consignee or shippers, where the right of confiscation exists, punishes the wrong party. At present goods are allowed to be shipped or landed before duties are actually paid—on the knowledge that payment can be ultimately compelled by stopping the clearance—a proceeding which might, and does, operate to delay the vessel at its own expense; whereas by prompt action the ship might be redischarged of the non-duty paid cargo at once, or imports in the like position bestowed in a Customs godown.

The arrangement of which Mr. Winchester speaks, is a relic of old times, but was devised not more for the convenience of the Customs than for that of the consignees or shippers of cargo, who, but for that arrangement, would have to pay their duties, parcel by parcel, on all goods shipped or landed. In lieu of this, the whole of the receipts for duties due on the ship's cargo imported and exported, are handed by the consignees and shippers to the ship's consignee; and being forwarded by him to the Customs, the clearance of the ship becomes a single operation. This, no doubt simplifies the business of the Customs; but it is, I repeat, to the full as great a convenience to the duty-payers. The measure best suited to meet the hardship of the vessel detained in such a case as Mr. Winchester indicates, is, undoubtedly, the establishment of bonded warehouses, or the licensing, to the same end, of the premises of particular applicants. The Inspector-General has, I believe, been feeling his way towards such a measure, and whether made the matter of a Treaty provision or not, its adoption should be earnestly pressed upon the Chinese Government. The despatch of all vessels could not fail to be much accelerated by it, and to the steamer interest this is always an important consideration.

Under Article XLV the Memorialists of Tien-tsin and Hankow contend that the term of twelvemonths for the re-exportation of imports is too short. By Treaty there is no such limitation. The Customs are to satisfy themselves that the application for drawback is *bonâ fide*, and the identity of the imports being established, the importer is free to send them to another Treaty port under exemption certificate, or to a foreign port under drawback.

This drawback is by the same Article a legal tender in payment of any duties, but the Hankow Memorialists would prefer that the amount it represents should be repaid them in sycee. Sir Rutherford Alcock has been informed that this arrangement cannot rule "without risk of serious loss to the Customs, and complications of accounts, the price of sycee differing from day to day." I will only add that it is one of many cases in which both the Chinese Government and the foreign merchant would be relieved from embarrassment by the introduction of a current coinage.

The close of the same Article provides for the re-exportation of foreign grain brought into any Treaty port in a British ship, provided that no part thereof shall have been landed. This conceded a departure from the old rule by which no grain could leave China at all. Imported, it paid no duty; indeed, the tonnage dues of vessels bringing it in used to be remitted. The claim to prevent any grain that entered Chinese waters leaving a port, had occasioned some angry discussion; hence the Treaty stipulation that, if not landed, it might be re-exported. The Hong Kong Memorialists would have liberty to re-export it whether landed or not. It will happen, they urge, that stocks accumulate, and it is hard that these may not be transferred to a more favourable market. I think it is hard, but the Chinese Government has a special difficulty with regard to the food stuffs of the people. The law is jealous of the transference of supplies without express authority, even from one province to another, and by inland routes; and its jealousy is greater still regarding what the people might view as the escape of supplies by sea.

With such resources as China possesses, more enlightened economists would have nothing to fear on this score; but the education of the Chinese in this department of science has hardly commenced. The identity of a cargo of grain, again, could, I should think, scarcely be determined, and where it cannot, the Customs will, of course, be justified in opposing its shipment. The question is worth asking, but I am prepared to find the Chinese Government armed with much argument against the concession.

I have now, I think, noticed every clause of the Treaty proper, which by the light of the various Memorials or otherwise appears to call for remark. There remain to be reviewed the changes desired in the Tariff of 1858, and the proposed additions to our other commercial privileges as defined by the Treaties in force.

The reductions recommended in the Tariff are not many in number, but some are of a character gravely to affect the Customs revenue; and I must honestly confess that were there a better chance than there is of carrying these, we should, I think, not at the present time be justified in demanding changes so sweeping. It must be remembered that in 1857, the Members of the Canton Chamber of Commerce subscribing the address to Lord Elgin and the Chamber included the heads of all the principal British firms in China, declared their belief that there was hardly in the world a more liberal Tariff than the Tariff of 1843, then in force. Lord Elgin's Tariff was revised so as to impose upon the trade in general a duty at the rate of 5 per cent. *ad valorem*, the data upon which values in general were calculated being supplied by the returns of the trade at Shanghae compiled by Mr. Horatio Lay since the year 1855–56. These were at the time the only trustworthy statistics of the kind published in China. The Tariff thus prepared was, as the present Chamber of Hong Kong admits, more liberal than the previous one, but the Chamber would now have one more liberal still, believing that greater reduction of the duties will produce greater expansion of the trade, and in the end augmentation of revenue. The Hankow community "viewing the vast increase of the foreign trade in China during the last ten years, and the prospect of its still farther development, strongly advocate the reduction of all import and export duties to a scale of $2\frac{1}{2}$ per cent. *ad valorem*, such a concession being greatly to the advantage of both foreign and native trade, without any serious curtailment of the revenue as compared with that collected at the date of the Treaty of Tien-tsin."

I doubt that the proposition to forego all increase of revenue that might be expected from all increase of trade carried on under an admittedly moderate Tariff, would recommend itself to any Government, especially to one that was hard put to it to make the two ends meet. But, to be serious, the latest statistics of the import and export trade between 1863 and 1868, so far from justifying a demand that the duties on both should be lowered in an equal degree, point rather to the conclusion that what we may call on the Chinese to abate on the one part, they may fairly claim to add to an almost corresponding extent on the other. The import trade has been astonishingly developed; the export trade, in its principal branches, has, though not in the same ratio, declined.*

In 1863 the value of our imports was but 3,889,927*l.*; in 1868, by the latest returns (which I take from the newspapers), it is 7,468,278*l.* The export trade, on the other hand, has gone down in the same five years from 14,186,310*l.* to 9,523,776*l.*; the most serious falling-off being observable in the most important items of the trade, namely, tea and silk. The decline of the cotton trade, which owed an episodical existence to the war in America, has also, of course, contributed to the deficit. I do not think that in the present state of the exchequer great or sudden modifications of the Tariff are to be expected of the Chinese Government unless we are prepared to reciprocate. I should prefer to try if the balance against us cannot be redressed, as I hope to see it, by the enforcement of a strict observance of the transit duty clauses, and the correction of the abuse of local taxation by the means I have already indicated as in my judgment most profitable to that end.

The export trade, although produce is no doubt heavily taxed, has yielded I suspect no little to causes for which the Chinese are not responsible, to our own over-trading and to the competition of other fields of supply. The import trade, it is matter of congratulation to observe, has not only held its own, but has nearly doubled its value; though struggling against a fearful weight of abnormal taxation.

To take now the different articles specified in detail:—

Tea.—The total export in 1866 was 115,000,000 lbs. against 88,500,000 lbs. shipped

* In the Report of the North Shields and Tynemouth Chamber of Commerce, the Committee submit that there should be added to the clause, Article XXIV, which provides that British subjects shall not be called on to pay other or higher duties than are required of the subjects of any other foreign nation, the farther words "than are required of *their own* subjects" (by the Chinese Government).

Of course, if the transit-duty clause of Article XXVIII is not to be observed, and the *le-kin* taxes are to be be retained, the imports and exports of our merchants will be higher taxed by $7\frac{1}{2}$ per cent. than the same goods in the hands of Chinese on shore. But we must remember that the taxes and tariff duties which in normal times are levied on Chinese produce carried by Chinese from one port to another are computed at the rate of 10 per cent. upon value. In the coast trade we carry some produce, if not all, at lower duties on a foreign bottom than by a Chinese junk. Further, we are free to carry both grain and copper cash, which the Chinese are prohibited from carrying. Chinese subjects are, therefore, under various heads, more heavily taxed than foreigners.

I should have noticed in its proper place the same Chamber's remonstrance against the confiscation of a merchant-vessel in cases where it can be shown that her owner had no interest in the act of contraband trading for which she was seized. I think the peril of the ship is a check on the proceedings of the master with which the Customs could not well dispense. In times gone by I have known a master bribed to commit an act of intimidation; and if a consignee was minded to smuggle, and the master of a vessel did not object to smuggle for him, a very slight per-centage on the profits of the consignee would suffice to remunerate the master, if the vessel were secured against risk.

and exported in 1856. Our import duty at home has meanwhile been lowered from 1*s.* 9*d.* to 6*d.* per lb., and the Hong Kong Memorialists urge accordingly that a corresponding reduction in the export duty should be claimed of China.

The Chinese export duty is $2\frac{1}{2}$ taels (at 6*s.* 2*d.* the tael, say 15*s.* 5*d.*) per picul = $133\frac{3}{4}$ lbs. of tea: that is to say, it is something less than $1\frac{1}{2}$*d.* per lb. This, undoubtedly, is even on the more costly teas a good deal over 5 per cent. *ad valorem*, and as the rate is uniform, the cheaper teas are at a disadvantage. The Memorialists of Amoy complain that on a large proportion of the produce of the adjoining districts, the $2\frac{1}{2}$ taels duty becomes a charge of 35 per cent. The tea they refer to is the Ankoi, a kind much consumed by the poorer Chinese of the neighbourhood, and the like of which, say the Memorialists, is exported from Japan paying but 5 per cent. duty. The Japanese tea in question being shipped to the same markets as the Amoy shipments, undersells the latter. To cover themselves the Memorialists suggest the reduction of the duty to a 5 per cent. *ad valorem* rate, which they would have levied not only on the Ankoi teas, but on all; the proof of value being the price at which the tea has been purchased.

As my figures above will show, our own rate is still considerably above 5 per cent. upon value; but, assuming that the principal of differential duties was accepted, the Customs could certainly not protect the revenue without a tea-inspectorate, not to say other safeguards against fraud, that would prove a formidable addition to their foreign establishment. Even from Amoy there are shipped not only the inferior teas above specified, but also such sorts as Congou, Oolong, and Souchong; and without a strict and expensive oversight, persons disposed to defraud the revenue could, with or without the collusion of the native salesman, export the dearer as the cheaper article. At the larger ports the Customs difficulty would be even greater.

In 1858, when teas were cheaper than they are now, Lord Elgin did his utmost to obtain a gradual abatement of the tea duty, in such wise that in ten years it should not exceed $1\frac{1}{2}$ taels per picul. This was stoutly resisted by the Chinese, and the scant prospect of the reduction of the tea-duties at this moment may be inferred from the fact that in December 1867 it was thought a boon by the Prince of Kung to lower the duty on tea-dust or refuse tea, when not worth more than 15 taels per picul, to $1\frac{1}{4}$ tael, that is to say, to a charge of $8\frac{1}{3}$ upon value. I mention this with no desire to underrate the concession, for a concession it undoubtedly is. It will, of course, be included in the new Tariff.

Salt.—Petitions are numerous for leave to import this commodity. The Liverpool Chamber of Commerce suggests that, without abolition of the Government monopoly, its import might be tolerated as the import of tobacco is tolerated in those countries in which a tobacco monopoly is still maintained. The Amoy community would have the export of salt to foreign countries free, with liberty also to carry it coastwise, as copper cash is carried, in foreign vessels under bond. On the coast of Formosa, salt, they say, has been shipped in foreign vessels on mandarin account.

I do not think the request to carry salt coast-wise unreasonable, nor should I despair of its being acceded to; but its admission into the regular export or import trade will be opposed tooth and nail. The sole reason why the carriage of salt from Europe of such a country as China, supplied as it can be from its own springs and salines, could ever be remunerative, is that the official remuneration of the salt supply is disgracefully mismanaged; and the corruption, which is another term for this mismanagement, is at the same time the one obstacle in the way of open trade that I do not expect to see surmounted by negotiation. The salt collectorate has been, dynasty after dynasty, the opprobrium of Chinese rule, and the price to which common salt is rising under the pressure of extravagant taxation is as dangerous to the Government as it is distressing to the people. It is shown in a paper appended to the Memorial of the Shanghae community, that salt is taxed some 20*l.* sterling a ton on a route of some 70 or 80 miles.

It was a few years since in contemplation to place the collection of the maritime duties on salt, in the Province of Kwang Tung, under the Inspectorate, and it is only by some such expedient that the Excise can be remoralized. If it should ever be remoralized, the foreign importer will, I feel sure, discover that there is no field for him; and until it be, I am not sanguine that he will be allowed to test the fact. The experiment with a given quantity somewhere suggested, could not well be conceded unless we were the only nation trading with China. I should press for the *cabotage*. The preventive service, to the organization of which I have before alluded, will, of course, extinguish the smuggler, but the carriage of salt in foreign vessels would, meanwhile, help to regularize the trade. We should have to pay as on the rest of the coast trade, a half export and a half import duty, and if the Yamên of Foreign Affairs can see its way to avoid a collision with the Salt

Collectorate interest, this may induce it to yield the privilege, which would be of some value to our shipping.

Coal.—It is proposed by many to abolish all duty on both foreign and native coal. The former pays but 5 candarines ($\frac{5}{100}$ of a tael, say from $3\frac{1}{2}d.$ to $4d.$) per ton; the latter, 4 candarines a picul, reckoned by the Amoy Memorialists to amount to 6 mace, 6 candarines, 8 cash ($\frac{668}{1000}$ of a tael) say from $4s.$ to $4s.$ $6d.$ per ton.

I cannot recall anything in the history of the Tariff of 1858 that would account for so remarkable a difference in favour of foreign coal. It had been, heretofore, free of duty, and was doubtless subjected to the nominal duty now charged to bring vessels entering with no other cargo within reach of the tonnage dues. The native trade in coal can hardly be said to have had, as yet, an existence. There is now to judge, from the curious Memorial of Tsêng Kwo-fan, some prospect of the native coal-mines being worked; and if this comes to pass, the import of foreign coal will soon cease altogether.

I believe that it would serve us most in the end to consent to double the duty on imported coal; to raise it, that is, to 10 candarines, on condition that the duty on native coal be lowered from its present prohibitively high rate to that I would impose on our import, or even to 15 candarines, which would not be one-fourth of the present duty. I am looking first to the requirements of the steam-shipping, in every sense one of our most important interests, but also to the foreign coast trade, to which the carriage of native coal at the present rate of duty is scarcely possible.

The points at which depôts are needed are Tien-tsin, Shanghae, Hankow, and Hong Kong. Tien-tsin is the natural outlet of an enormous district abounding in excellent coal, but there is nothing in the Customs Returns of 1865-66 to show that as yet it supplies the need of foreign steamers; nor will it be brought within their reach until lines of road or tramways be laid from the hills in rear of Peking to Tien-tsin, or at least to the shores of the river on which the city of Tien-tsin stands; and the construction of such lines will be a greater difficulty than the opening of the coal mines itself. They will, at all events take, time. Hankow is, of the ports now open, the nearest to the mines of the province of Hu-Nan, and there is reason to think that not only there, but at other points along the valley of the Great River, coal of a quality fit to compete with ours for steam purposes will be procurable. The same may be said of the Formosan mines, from which as yet nothing is taken but surface coal. If the mines can be properly worked, it is from these regions that I expect to see the whole of the four depôts supplied, and, if the export duties be lowered, supplied for some years in chief part by foreign coasters.

The plea on which we press the Chinese Government to open their mines, is that the revenue will be benefited; a demand for a total abolition of the duty, therefore, would be hardly consistent. On the other hand it may be objected that we act unwisely in urging the Chinese to a course of action which will end in the exclusion of our own coal. In 1866, we exported from England to China 108,217 tons, the whole, of course, for the use of steamers; of which quantity some 54,000 tons only were entered at Shanghae, the remainder being landed duty free at Hong Kong. I contend, nevertheless, that we are doubly interested in the concession. The multiplication of steamers is the most developing agency that we bring to bear on the cause of advancement in China, and when our own coal is undersold, as I expect it by-and-by to be, I wish the steamers to buy Chinese coal cheap; but the departure from rule involved in the commencement of mining operations, the movement towards adoption of foreign appliances on a scale such as will be indispensable in undertakings of the character contemplated, is, in my judgment, sufficiently valuable to warrant even a greater sacrifice.

Dock Stores, Ship Stores, and House Stores should both be more exactly defined than at present, and of the latter, in particular, it might be reasonable to continue to claim exemption from duty for a certain portion; but it must be remembered that a large number of articles formerly imported for the exclusive use of foreigners are fast becoming articles of consumption amongst the Chinese, and the difficulty of the Customs in distinguishing between what the foreigner will consume and what he will dispose of, must be great. I think that permission to clear no more than a per-centage of duty is liberal enough.

Munitions of War should continue as at present restricted by Tariff Rule 5, imported only at the requisition of the Chinese Government, or saleable only to agents authorized.

Guano and Manure, the Amoy Memorialists would import free of duty. As unenumerated goods they pay, I presume, at present 5 per cent. *ad valorem*. Whether this be above or below the duty of 9 candarines per picul chargeable on native manure-cake when exported, I am unable to say. If it be higher, it would not be unreasonable that the duties on both should be equalized. The foreign import is, I suspect, of far greater value than the native manufacture to the agriculturist.

On the reduction of the duties on *Pepper*, *Watches*, and *Tin Plates*, I can offer no opinion; nor upon the readjustment of the *Timber* duties can I say more than this, that the timber in question is of kinds not as yet procurable in China, and imported, I imagine, exclusively for the use of the foreign house-builder or ship-builder. The importer may justly claim, therefore, that the duty should not exceed 5 per cent. *ad valorem*; indeed, it would not be unreasonable to ask for a less duty than 5 per cent.

(Signed) THOMAS FRANCIS WADE.

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PAPERS

RELATING TO THE

MASSACRE OF EUROPEANS

AT

TIEN-TSIN

ON THE

21ST JUNE, 1870.

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Papers relating to the Massacre of Europeans at Tien-tsin on the 21st June, 1870.

No. 1.

Mr. Wade to the Earl of Clarendon.—(*Received July* 25.)

(Telegraphic.) *Peking, July* 6, 1870.

AT Tien-tsin, Alice O'Sullivan, one of the Sisters of Mercy, was massacred in the hospital on the 21st June. No other British subject molested. No attack made on foreigners in British settlement. Three Russians killed by mob, three spared on declaring their nationality. One Frenchman protected in the yamên of Ch'ung Hou, Governor-General. Tsêng Kwo-fan ordered to Tien-tsin by Decree, June 25. Ch'ung Hou ordered to Paris as Commissioner, June 29. Gun-boat "Opossum" arrived, June 27. "Avon" and "Dwarf" followed. Peking perfectly quiet from first to last.

No. 2.

Sir F. Rogers to Mr. Hammond.—(*Received July* 25.)

Sir, *Downing Street, July* 25, 1870.

I AM directed by the Earl of Kimberley to transmit to you, for Earl Granville's information, a copy of a telegram received to-day (dated Galle, 23rd instant), from the officer administering the Government of Hong Kong, reporting that serious disturbances had broken out at Tien-tsin, and also the murder of the French Consul and others in the Foreign Settlement.

I am, &c.
(Signed) FREDERIC ROGERS.

Inclosure in No. 2.

Lieutenant-Governor Whitfield to Earl Granville.

(Telegraphic.) *Hong Kong, July* 6, 1870.

SERIOUS disturbance at Tien-tsin. The French Consul, his staff, the missionaries, and Sisters of Charity attacked and murdered in the Foreign Settlement. The French cathedral, consulate, and residence of missionaries burnt. Great anxiety at Shanghae and northern ports. Gun-boat "Leven" left for Shanghae last evening. Six hundred troops in readiness to embark at shortest notice, if required. Troop-ship "Adventure" at Shanghae.

No. 3.

Mr. Wade to the Earl of Clarendon.—(*Received July* 31.)

(Telegraphic.) *Peking, July* 19, 1870.

ALL quiet at Peking and Tien-tsin. Alarm over at Che-foo. French Chargé gone to Tien-tsin to-day.

No. 4.

M. de Lavalette to Earl Granville.—(Received August 19.)

M. le Comte, *Londres, le* 18 *Août*, 1870.

LES premières dépêches télégraphiques que le Gouvernement de l'Empereur a reçues de son Chargé d'Affaires à Pékin, à la suite du massacre de nos nationaux, avaient permis d'espérer que le Gouvernement Chinois comprenait la nécessité de faire prompte et sévère justice d'actes aussi odieux. L'envoi qui nous était annoncé d'un Ambassadeur Chinois chargé d'une mission spéciale se rattachant à ces évènements était un indice de dispositions en effet satisfaisantes; et le Gouvernement Français se plaisait à croire que les réparations qui lui seraient offertes répondraient à ce qu'il était fondé à exiger. Il résulte d'un nouveau télégramme de M. le Comte de Rochechouart qu'un revirement semblerait s'être effectué dans les intentions du Gouvernement Chinois, et que notre Chargé d'Affaires a réclamé en vain jusqu'ici la poursuite des misérables qui ont pris part aux crimes commis à Tien-tsin. Bien que les victimes de ces attentats soient presque exclusivement des Français, on ne saurait contester que des faits pareils révèlent l'existence de dangers qui menacent indistinctement tous les étrangers résidant en Chine. C'est en considérant leurs intérêts comme solidaires dans ces contrées de l'extrême Orient que les Puissances Européennes peuvent arriver à assurer à leurs nationaux les garanties et la sécurité stipulées dans les Traités.

Le Gouvernement de l'Empereur ne doute pas que tel ne soit le sentiment du Cabinet de Londres. M. le Ministre des Affaires Etrangères me charge, en conséquence, de faire savoir à votre Excellence que nous attacherions un grand intérêt à voir le Représentant de la Reine à Pékin joindre ses efforts à ceux de notre Chargé d'Affaires pour obtenir le châtiment des individus coupables. Je serais tout particulièrement reconnaissant à votre Excellence de vouloir bien me mettre à même, le plus tôt qu'il lui sera possible, de répondre au désir qui m'est exprimé par M. le Prince de la Tour d'Auvergne; et je saisis, &c.

(Signé) LAVALETTE.

(Translation.)

My Lord, *London, August* 18, 1870.

THE first telegraphic despatches which the Government of the Emperor received from their Chargé d'Affaires at Peking, after the massacre of our countrymen, had allowed it to be hoped that the Chinese Government understood the necessity of executing summary and severe justice on acts so odious. The despatch of a Chinese Ambassador, charged with a special mission in relation to these events which was announced to us, was an indication of intentions practically satisfactory; and the French Government was pleased to think that the reparation which would be offered would correspond with that which they had grounds for exacting. The result of a fresh telegram from M. le Comte de Rochechouart is that a change would appear to have taken place in the intentions of the Chinese Government, and that our Chargé d'Affaires has, until now, demanded in vain the prosecution of the wretches who took part in the crimes committed at Tien-tsin. Although the victims of these attempts are almost exclusively French, it cannot be denied that such deeds reveal the existence of dangers which menace without distinction all foreigners residing in China. It is by considering their interests as common in these countries of the extreme East that the European Powers can arrive at securing to their countrymen the guarantees and the security stipulated for in the Treaties.

The Government of the Emperor do not doubt that such is the feeling of the Cabinet of London. The Minister of Foreign Affairs instructs me, consequently, to inform your Excellency that we should attach great interest to seeing the Representative of the Queen at Peking joining his efforts to those of our Chargé d'Affaires to obtain the punishment of the guilty persons.

I should be especially grateful to your Excellency for enabling me, as soon as possible, to reply to the request which M. le Prince de la Tour d'Auvergne has expressed to me, and I seize, &c.

(Signed) LAVALETTE.

No. 5.

Consul Medhurst to the Earl of Clarendon.—(*Received August* 22.)

My Lord, *Shanghae, June* 30, 1870.

ON the afternoon of the 27th instant, the startling intelligence arrived from Tien-tsin, per steam-ship "Dragon," that the French Consul, Sisters of Charity, and several other French residents at that port had been killed by an infuriated mob, and that the French Consulate, the house of the Sisters, and the cathedral had all been burnt.

The inclosed copies of two letters, which Commander Walker, R.N., of Her Majesty's ship "Dwarf," stationed here, received from Lieutenant May, of Her Majesty's gun-boat "Opossum," lying at Che-foo, furnish all the authentic particulars which I as yet have of this fearful catastrophe.

Commander Walker, after a hurried consultation with myself, determined upon leaving at once for Tien-tsin, in order to be at hand to assist the British Consul and community in making good their escape if necessary, and his ship started as soon as ever steam could be got up. Le Comte Mejan, Consul-General for France, also made arrangements for his Imperial Majesty's gun-boat "Flamme" to proceed northwards the moment she could be got ready.

The Shanghae Steam Navigation Company at the same time considerately offered to place one of their most powerful craft at the disposal of Count Mejan and myself for the conveyance, in advance of the "Dwarf" and "Flamme," of any of their men who could be spared. Unfortunately both vessels proved to be under manned, but we succeeded in procuring fifteen men from the municipal constabularies of both settlements, all of them old soldiers and tried men, and they were embarked in the course of the evening. Although so few in number I thought that they might prove most serviceable, not only in assisting Mr. Acting-Consul Lay to maintain order, but in going to the relief, if needful, of the Legation at Peking, whose position would naturally be seriously imperilled by the occurrences at Tien-tsin. By the arrangement I made with these men their pay was to continue at the expense of the municipalities here, but Mr. Lay was to find them in quarters and rations, and if their services were not wanted they were to return forthwith. Free passages have been granted them all by the Shanghae Steam Navigation Company.

As a precaution against any possibility of an outbreak here, I wrote by yesterday's Japan mail to Commander the Honourable A. Denison, of Her Majesty's ship "Zebra," requesting him, if practicable, to come across immediately upon receipt of my communication, which gave cover to a requisition to the same effect from Commander Walker. I expect the "Zebra" here by the 5th instant.

Nothing has transpired since, and I am anxiously awaiting further intelligence expected by an arrival hourly looked for. Should it not reach me to-day I shall request the manager of the Peninsular and Oriental Steam Navigation Company to delay the despatch of the mail for a few hours.

The natives here had the report of the outbreak amongst them simultaneously with the receipt of that brought by steamer, a remarkable instance of the rapid conveyance of intelligence by native channels overland. The rumour that was circulated amongst them possesses the alarming feature of the complicity of the Chinese foreign-drilled soldiers in the outrage. It is said that the French Consul had annoyed the men by insisting on the punishment of one of their number, and that they had revenged themselves by hounding on the mob, already excited by rumours of child kidnapping, to the destruction of the persons and property of the French. The Chinese report also that the troops were moving on to Peking to demolish the Legations there, and that they had already met and murdered Comte Rochechouart at Ho-si-wu.

Some acknowledgment is due to the master and owners of the "Dragon" who, at the request of Mr. Acting-Consul Mayers at Che-foo, consented to throw up a remunerative contract for towage, in order to hasten on to this port with the news. I have accordingly addressed them a letter, copy of which I beg leave to inclose.

I likewise have the honour to submit copies of communications which I have addressed to Mr. Wade and to Mr. Consul Lay in connection with the outrage.

I trust that your Lordship will see fit to approve of the steps which I have thus far taken in the matter. Should I receive tidings which will leave any cause for apprehension for the safety of Mr. Wade and Her Majesty's Legation, I shall make it my duty to communicate it forthwith to his Excellency Vice-Admiral Sir H. Kellett, now in Japan, and to his Excellency the Governor of Hong Kong, leaving them to decide how they can best proceed with due regard to the public interest.

I have, &c.
(Signed) W. H. MEDHURST.

Inclosure 1 in No. 5.

Acting Consul Lay to the Senior Naval Officer, Che-foo.

Sir, *Tien-tsin, June* 21, 1870.

I HAVE the honour to report to you that the presence of one of Her Majesty's gun-boats is absolutely necessary at this port.

Great excitement exists in the city. This has lasted now for some days and I trusted it would blow over, but threats are now made by the Chinese that they will pull down the Roman Catholic Cathedral and burn the French Consulate and exterminate the foreigners from Tien-tsin, and these threats are now public without concealment, and every Chinaman openly speaks of them.

Dr. Frazer was mobbed in the city the day before yesterday, but being mounted he escaped serious injury.

Under these circumstances, and feeling that, should the excitement not be allayed, the foreign Settlement here, with all the valuable property in it, might be burned or destroyed by an infuriated mob, who are determined to get us away from this if they can, it is my duty to represent to you, as Senior Naval Officer on this station, the advisability of visiting this port and remaining till these troubles cease.

I am quite sure the mere presence of one of Her Majesty's ships will be sufficient to allay this anti-foreign excitement.

I have, &c.
(Signed) W. H. LAY.

Inclosure 2 in No. 5.

Mr. Bristow to Commander May.

[See Inclosure 2 in No. 6.]

Inclosure 3 in No. 5.

Consul Medhurst to Messrs. Jardine, Matheson, and Co.

Gentlemen, *Shanghae, June* 30, 1870.

I AM informed that, in complying with the suggestion of Mr. Acting Consul Mayers, of Che-foo, that the "Dragon" should hasten on at once to Shanghae with the disastrous intelligence which she brought down from Tien-tsin, you deprived yourselves of a remunerative contract for tonnage which had been entered into on account of the vessel. If this be true, permit me to offer you my acknowledgments for the public spirit which thus induced you to forego private considerations in the general interest, and to assure you that I shall not fail to report the fact for the information of Her Britannic Majesty's Government.

Your, &c.
(Signed) W. H. MEDHURST.

Inclosure 4 in No. 5.

Consul Medhurst to Mr. Wade.

Sir, *Shanghae, June* 27, 1870.

THE news of the destruction of the French Mission and Consulate at Tien-tsin, and of the murder of the French Consul, Missionaries, and Sisters of Charity and other persons reached me this afternoon.

I lost no time in consulting with Le Comte Mejan and Commander Walker of Her Majesty's ship "Dwarf" as to the best means of furnishing assistance, not only in respect to the Tien-tsin community, but with a view to the safety of residents in Peking whose lives and property no doubt would have been somewhat imperilled.

Commander Walker decided upon proceeding to Tien-tsin at once, and he is already under weigh with the ship under his command. His Imperial Majesty's ship "Flamme" will leave to-morrow, and Messrs. Russell and Co., agents for the Shanghae Steam Navigation Company, have most courteously placed the steamer "Shantung" at our disposal to

carry up any extra men that could be procured. Le Comte Mejan and myself have accordingly applied to the Municipal Bodies of the English and French Settlements, who have most considerately spared us fifteen men from their constabularies, who go up to-night per "Shantung."

This place is quiet for the present. But to prevent mishap here, Commander Walker, before leaving, charged me with a requisition to the Commander of Her Majesty's ship "Zebra," now at Nagasaki, to come across to Shanghae for the time being. Her Majesty's ship "Adventure" is likewise daily expected, and I can, if needful, address Captain Raby a communication requesting the protection of the vessel under his command in the interests of this port.

Your, &c.
(Signed) W. H. MEDHURST.

Inclosure 5 in No. 5.

Consul Medhurst to Acting Consul Lay,

Sir, *Shanghae, June* 27, 1870.

THE disastrous news of the murder of the French Missionaries and Sisters of Mercy, and of other outrages committed by the Chinese mob at your port reached me this afternoon. Her Majesty's ship "Dwarf" has already left for Tien-tsin. His Imperial Majesty's gun-boat "Flamme" will leave to-morrow, and Messrs. Russell and Co., agents for the Shanghae Steam Navigation Company, have very considerately consented to despatch the Shanghae Steam Navigation steamer "Shantung" this evening, by which opportunity ten men of the municipal police of this Settlement and five men of the French constabulary proceeds to your assistance.

The ten men are all old soldiers, and may prove of service in protecting the retreat or yourself and community from your perilous position. Should they not be needed pray make immediate arrangements for their return by one of Her Majesty's ships or a Shanghae Steam Navigation steamer. Their pay is provided by the Municipal Council, but rations and quarters will have to be provided for them by you.

The Municipal Council, to whom you owe this very considerate aid, have directed the men to place themselves under your orders.

I have, &c.
(Signed) W. H. MEDHURST.

No. 6.

Consul Robertson to Mr. Hammond.—(Received August 22.)

Sir, *Canton, July* 5, 1870.

I HAVE much regret in forwarding for your information copy of a note I received this afternoon from Commodore J. A. Price, of Her Majesty's ship "Princess Charlotte," at Hong Kong, inclosing copy of a despatch from Mr. Bristow, assistant in Her Majesty's Consulate at Tien-tsin, together with a newspaper extra of this date, giving, as far as is known, the news of the Chinese at Tien-tsin having risen against the French, massacred the French Consul, the Sisters of Mercy, and other French missionaries. There is a report also that M. le Comte de Rochechouart, the French Minister at Peking, has been killed; but this is probably unfounded.

Whether, when it becomes known, any excitement among the Chinese here will result it is impossible to say, but I think it will be prudent not to take any steps, by getting up a gun-boat from Hong Kong, which might lead to a suspicion of fear. Moreover, I have full confidence in the friendly disposition of the provincial authorities.

I have, &c.
(Signed) D. B. ROBERTSON.

Inclosure 1 in No. 6.

Commodore Price to Consul Robertson.

Dear Sir, *Hong Kong, July* 5, 1870.

I RECEIVED last evening at 9·30 the despatch of which I send you a copy. As the gun-boats will now all be wanted north, the proposal I made to you yesterday about one going to Hainan must fall through.

Immediately the "Leven" is ready I shall send her to Shanghae, and the "Banterer" to Formosa, where there is sure to be a disturbance if the affair at Tien-tsin is known. I reserve the "Starling" for you, if you think it necessary to have her at Canton, although I do not wish her to go there unless there is an absolute necessity, as at this season it is very unhealthy. I shall be left with the "Bouncer" only to protect ourselves, and she is unseaworthy, and will no doubt be condemned.

"Ocean" and "Elk" left on Sunday morning, the one for Yokohama and the other for Hiogo.

I remain, &c.
(Signed) JOHN A. PRICE.

Inclosure 2 in No. 6.

Mr. Bristow to Commander May.

My dear May,

THE French Consulate, the Sisters of Mercy, the French Cathedral are all burning.

The French Consul and all the Sisters, as well as several other Frenchmen, are all killed.

I despatch this in haste by a special courier.

Yours truly,
(Signed) HENRY B. BRISTOW.

P.S.—Lay is engaged in collecting the foreigners together.

H. B. B.

No. 7.

Sir F. Rogers to Mr. Hammond.—(Received August 25.)

Sir, *Downing Street, August* 24, 1870.

I AM directed by the Secretary of State for the Colonies to transmit to you, for the information of the Secretary of State for Foreign Affairs, and with reference to the letter from this Department of the 25th ultimo, a copy of a despatch from the Acting Governor of Hong Kong, furnishing information with regard to the murder of the French Consul and missionaries at Tien-tsin.

I am, &c.
(Signed) FREDERIC ROGERS.

Inclosure 1 in No. 7.

Lieutenant-Governor Whitfield to Earl Granville.

My Lord, *Government House, Hong Kong, July* 6, 1870.

I HAVE the honour to inclose herewith the copy of a telegram which I have forwarded to Ceylon for transmission to your Lordship.

The events to which it refers, viz., the attack on the foreign Settlement at Tien-tsin and the murder therein of the French Consul, his Staff, the missionaries and Sisters of Charity, are causing considerable excitement throughout China; and although it is very probable that rumours may much exaggerate the gravity of affairs in other respects, still the facts already revealed are of so startling a nature that men's minds cannot well be divested of considerable anxiety.

Being without any direct official intelligence from the North, I have naturally refrained from taking any action; but as the communications received from the French

Consul at Shanghae and through the public journals, of which extracts are inclosed for the information of your Lordship, have established beyond a doubt a very serious state of affairs, I have considered it advisable to have 600 men ready for immediate embarkation in case any requisition might be made upon me for aid at Shanghae or elsewhere.

I have, &c.
(Signed) H. W. WHITFIELD.

Inclosure 2 in No. 7.

Lieutenant-Governor Whitfield to Earl Granville, July 6, 1870.

[See Inclosure in No. 2.]

No. 8.

The Secretary to the Admiralty to Mr. Hammond.—(Received August 25.)

Sir, *Admiralty, August 24, 1870.*

I AM commanded by my Lords Commissioners of the Admiralty to transmit, for the information of the Secretary of State for Foreign Affairs, copy of a letter from Commodore Price, dated Hong Kong, July 7, together with inclosures relative to an attack on the foreign residents at Tien-tsin by Chinese, the murder of the French Consul, burning of the French Consulate and cathedral.

2. Commodore Price further reports that Her Majesty's ship "Dwarf" had left Shanghae for Tien-tsin, the foreign population at the former port having been left to the protection of the French gun-boats.

3. My Lords desire me to transmit extracts of a letter from Vice-Admiral Sir Henry Kellett, dated June 27, from Yokohama, reporting his proceedings, and the distribution of his squadron. The Vice-Admiral was at that time unaware of the outrage committed at Tien-tsin.

I am, &c.
(Signed) VERNON LUSHINGTON.

Inclosure 1 in No. 8.

Commodore Price to the Secretary to the Admiralty.

Sir, *"Princess Charlotte," at Hong Kong, July 7, 1870.*

I HAVE the honour herewith to inclose, for the information of the Lords Commissioners of the Admiralty, copy of a note from Her Majesty's Consul at Tien-tsin, addressed to Lieutenant May, commanding Her Majesty's gun-boat "Opossum," then at Che-foo, acquainting him of an attack on the foreign residents at Tien-tsin by Chinese, the murder of the French Consul, burning of the French Consulate and Cathedral, &c.

2. Lieutenant May forwarded the report to Shanghae to Commander Walker, of Her Majesty's gun-vessel "Dwarf," and that officer promptly started at once for Tien-tsin, leaving the foreign population of Shanghae to the protection of two French gun-boats. Commander Walker, before quitting Shanghae, addressed a letter to Commander Denison, of Her Majesty's ship "Zebra," at Nagasaki, acquainting him of the departure of the "Dwarf," and its cause; and the "Zebra" has consequently, no doubt ere this, arrived at Shanghae.

3. Intelligence was also sent to Vice-Admiral Sir Henry Kellett, but I should fear will be long in reaching him, as, by a letter received yesterday from his secretary, I learn that on receiving the last mail from England at Yokohama, the Vice-Admiral intended to leave in the "Salamis" for Hakodate and the River Amoor.

4. Her Majesty's ships "Ocean" and "Elk" left Hong Kong on the 3rd instant, the former for Yokohama, and the latter for Hiogo. I had thus only Her Majesty's gun-vessel "Leven" at my disposal to send to Shanghae to allay the apprehension of the foreign residents, if by any means the "Zebra" should not have arrived.

The "Leven" accordingly left yesterday morning, and will return to Hong Kong as soon as Commander Denison considers her services no longer necessary.

5. There is not the least doubt that the Chinese, presuming upon the lenient manner in which they have been of late treated, are becoming most insolent and overbearing, and

at Canton they do not scruple to abuse foreigners in a very marked way. It is the opinion of all persons who know China and the Chinese well, that the public opinion, incited by secret societies, is gradually becoming more and more hostile to foreigners, and that grave troubles may be shortly apprehended, unless by a timely display of force at each of the Treaty ports the Chinese may be deterred from actual violence.

6. There are at present here only two serviceable gun-boats (the "Banterer" and "Starling"). The "Bouncer," tender to this ship, is so eaten into by white ants that she is not worth repairing. I have, however, in the event of necessity, ordered her engines to be put in working order, so that she could be despatched to Canton if required.

7. The loss of the "Slaney" and the rottenness of the "Bouncer" have materially reduced the strength of the southern division, or I should have despatched a gun-boat to Formosa, where the presence of a ship-of-war is constantly necessary.

8. Her Majesty's gun-boat "Avon" left this on the 10th ultimo for Tien-tsin, where she must have arrived ere this.

I have, &c.
(Signed) JOHN A. PRICE.

Inclosure 2 in No. 8.

Mr. Bristow to Commander May.

[See Inclosure 2 in No. 6.]

No. 9.

Earl Granville to Acting Consul Medhurst.

Sir, *Foreign Office, August* 25, 1870.

I ENTIRELY approve the steps which you took in connection with the recent massacre at Tien-tsin, as reported in your despatch of the 30th June.

I have to instruct you to express the thanks of Her Majesty's Government to the master and owners of the "Dragon," for their consideration in despatching her to Shanghae with intelligence.

I am, &c.
(Signed) GRANVILLE.

No. 10.

Earl Granville to M. de Lavalette.

M. l'Ambassadeur, *Foreign Office, August* 25, 1870.

I HAVE the honour to acknowledge the receipt of your Excellency's letter of the 18th instant referring to the late unfortunate massacre of French subjects at Tien-tsin, and requesting that the support of Her Majesty's Representative may be afforded to M. Rochechouart in his demands for the punishment of the malefactors.

In reply, I have the honour to inform your Excellency that Her Majesty's Government have not as yet received any details of the events in China to which your Excellency refers; but that they cannot hesitate to instruct Her Majesty's Representative in China to co-operate with the Legation of the Emperor in order to obtain the punishment of the parties who were concerned in the outrages of which French subjects have been the victims.

I am, &c.
(Signed) GRANVILLE.

No. 11.

Consul Medhurst to the Earl of Clarendon.—(Received August 29.)

(Extract.) *Shanghae, July* 5, 1870.

A MEETING of Consuls was convened yesterday, when we came to the unanimous conclusion that there was not the slightest ground for apprehension on account of the

safety of foreign interests at this port. Her Majesty's ship "Zebra" arrived to-day, and is likely to remain until the Admiral can be communicated with.

It is announced here, that one of the Sisters of Charity, killed, Sœur Louise, was a British subject.

No. 12.

Earl Granville to Mr. Wade.

Sir, *Foreign Office, August* 30, 1870.

I TRANSMIT, for your information, a copy of a communication from the French Ambassador in London relative to the massacre of French subjects at Tien-tsin,* and requesting that Her Majesty's Representative in China may be instructed to support M. Rochechouart's demands for the punishment of the malefactors.

I also inclose a copy of my reply;† and I have to instruct you to co-operate with the Legation of the Emperor in order to obtain the punishment of the parties who were concerned in this outrage.

I am, &c.
(Signed) GRANVILLE.

No. 13.

Mr. Wade to Earl Granville.—(Received August 31, *night.)*

(Telegraphic.) *Peking, August* 16, 1870.

SITUATION of affairs improving. News of war in Europe produces no effect on concert of Treaty Powers. Ch'ung Hou in Peking.

No. 14.

The Secretary to the Admiralty to Mr. Hammond.—(Received September 1.)

Sir, *Admiralty, August* 31, 1870.

I AM commanded by my Lords Commissioners of the Admiralty to forward, for the information of Earl Granville, a copy of a despatch from Vice-Admiral Sir Henry Kellett, dated Yokohama 9th July, and copies of its inclosures, relative to the recent outrages committed by the Chinese upon the European population at Tien-tsin, the murder of the French Consul and Sisters of Mercy, and the threatened extermination of foreigners.

2. My Lords propose to approve of the measures adopted by the naval authorities, and bearing in mind the present uncertainty of communication, viâ Marseilles, they would suggest that if the Secretary of State would wish that any special instructions should be given to the Commander-in-chief, they should be forwarded by the Southampton mail of Friday next.

I am, &c.
(Signed) VERNON LUSHINGTON.

Inclosure 1 in No. 14.

Vice-Admiral Sir H. Kellett to the Secretary to the Admiralty.

Sir, *"Salamis," at Yokohama, July* 9, 1870.

I HAVE the honour to report that I yesterday received the accompanying letter from Commander Honourable A. D. S. Denison, of Her Majesty's ship "Zebra," with intelli-

* No. 4. † No. 10.

gence of very serious outrages committed by Chinese upon the European population at Tien-tsin. the murder of the French Consul, many Sisters of Mercy, and the threatened extermination of all foreigners. By the latest news the French Consulate, the Roman Catholic Cathedral, and the residence of the Sisters of Mercy were in flames; it was also rumoured that Mr. Lay, Her Majesty's Consul at Tien-tsin, had been wounded, but I trust this may prove unfounded.

2. Immediately on receiving the news at Shanghae, Commander Walker, of the "Dwarf," proceeded with all despatch to Tien-tsin, where the "Opossum" had preceded him from Che-foo, and where the "Avon," Commander Tracey, should have arrived, having left Hong Kong for Tien-tsin on the 10th June. Commander Denison, of the "Zebra," on hearing of these outrages, very promptly dispatched the "Grasshopper" gun-boat also, so that I trust the almost immediate pressure of so ample a force may deter the Chinese mob from further violence.

I leave for Che-foo in the "Salamis" at noon to-day.

3. As the news from Shanghae is by no means satisfactory, and considerable excitement prevails at Nanking and Hang-chow, I have despatched Captain Moore, in the "Barrosa," to perform the duties of Senior Officer in the River Yang-tsze, placing the "Zebra" in that division, also temporarily, under his orders. The "Dove" and "Firm" gun-boats being already in the river.

4. These sad occurrences have originated, I believe, from alleged barbarities of the French and other missionaries. They are accused by the anti-foreign party of kidnapping children, and taking out their eyes for medicinal purposes. It is easy to conceive how such absurd misstatements excite the Chinese populace, and how difficult it is to allay their indignation and violence. I am sorry to state, that the ill-feeling against Europeans is becoming very wide-spread and ill-concealed.

The French, for some reason, appear to be particularly obnoxious to the Chinese.

5. Rear-Admiral Dupré, Commander-in-chief of the French Naval Forces in China, is here, and leaves immediately for Che-foo. The gun-boat "Flamme" is already at Tien-tsin, and the "Linois," also a gun-boat, is ordered to follow.

6. The Prince of Kung is unfortunately ill, and this alone is a matter of grave importance. It is stated that, in the event of his death, a revolution would be inevitable, and that the lives and property of foreigners would be most seriously endangered.

I trust, however, shortly to be able to report more encouragingly of these matters.

7. The ships in China and Japan are stationed as follows :—

Hong Kong—"Princess Charlotte," "Banterer," "Starling," and "Bouncer."
Amoy—"Hornet," and "Cockchafer."
Foo-chow—"Leven."
Shanghae—"Barrosa," "Zebra," "Dove," and "Firm."
Tien-tsin—"Dwarf," "Avon," "Opossum," and "Grasshopper."
Che-foo—"Salamis."
Yokohama—"Ocean," "Rinaldo" (and "Sylvia" in the neighbourhood).
Hiogo—"Elk" and "Midge."
Nagasaki—"Adventure," troop-ship.

I have, &c.
(Signed) HENRY KELLETT.

Inclosure 2 in No. 14.

Commander Denison to Vice-Admiral Sir H. Kellett.

Sir, *"Zebra," at Nagasaki, July* 2, 1870.

IN consequence of the disastrous news contained in the inclosed copy of a letter from Commander Walker, of Her Majesty's ship "Dwarf," as well as the two despatches likewise attached thereto, I considered it advisable to at once despatch the "Grasshopper" to Tien-tsin, to render all assistance to the Senior Officer in the River Peiho; and having consulted with Mr. Annesley, the Consul, who, apprehending no danger to the Europeans by leaving this place without any man-of-war for a few days, I obeyed the request of Commander Walker in making preparations for leaving this for Shanghae, which, having

completed at 6 A.M. to-day, I lodged the box of the Senior Officer at the Consulate, and proceeded to sea under steam for Shanghae, where I hope to arrive on Sunday evening.

I have, &c.
(Signed) A. D. L. DENISON.

Inclosure 3 in No. 14.

Commander Walker to Commander Denison.

Sir, "*Dwarf*," *at Shanghae, June* 27, 1870.

I HAVE the honour to inform you of the serious state of affairs at Tien-tsin, which you will perceive by the accompanying copy of despatches which I request you will forward to the Commander-in-chief.

2. On receipt of these despatches, and further communication with the Captain of the "Dragon," who reports three Russians also amongst the killed, I consulted with the French and English Consuls here, telling them I would write to you as to the expediency of your coming over here during my absence at Tien-tsin, as the state of affairs at Nanking and Yang-chow are very unsatisfactory.

3. One French gun-boat, the "Flamme" (very slow), sails to-morrow for Tien-tsin; the other, too slow for the passage, remains, at the English Consul's request, here.

4. The news arrived at noon, and we start at 4 P.M. for Tien-tsin; but I will forward full particulars to the Admiral by next mail, and perhaps you will send a copy of this letter to him.

I have, &c.
(Signed) CHARLES J. WALKER.

Inclosure 4 in No. 14.

Acting Consul Lay to Commander Walker.

Sir, *Tien-tsin, June* 21, 1870.

I HAVE the honour to report to you that the presence of one of Her Majesty's gun-boats is absolutely necessary at this port.

Great excitement exists in the city. This has lasted now for some days, and I trusted it would blow over, but threats are now made by the Chinese that they will pull down the Roman Catholic Cathedral, and burn the French Consulate, and exterminate the foreigners from Tien-tsin; and these threats are now public without concealment, and every Chinaman openly speaks of them.

Dr. Frazer was mobbed in the city the day before yesterday; but, being mounted, he escaped serious injury.

Under these circumstances, and feeling that, should the excitement not be allayed, the foreign settlement here, with all the valuable property in it, might be burned or destroyed by an infuriated mob, who are determined to get us away from this if they can; it is my duty to represent to you, as Senior Naval Officer on this station the advisability of visiting this port, and remaining until these troubles cease.

I am quite sure the mere presence of one of Her Majesty's ships will be sufficient to allay this anti-foreign excitement.

I have, &c.
(Signed) W. H. LAY.

Inclosure 5 in No. 14.

Mr. Bristow to Commander May.

My dear May,

THE French Consulate, the Sisters of Mercy, the French Cathedral, are all burning. The French Consul and all the Sisters, as well as several other Frenchmen are killed. I dispatch this in haste by a special courier.

Yours truly,
(Signed) HENRY B. BRISTOW.

P. S.—Lay is engaged in collecting the foreigners together.

H. B. B.

No. 15.

Consul Medhurst to the Earl of Clarendon.—(*Received September* 4,)

My Lord, *Shanghae, July* 14, 1870.

I HAVE the honour, in continuation of my despatch of the 5th instant, to inclose copy of my despatch dated yesterday, and inclosures, to the address of Her Majesty's Chargé d'Affaires at Peking, having reference to the recent massacre of French subjects at Tien-tsin.

I have, &c.
(Signed) W. H. MEDHURST.

Inclosure 1 in No. 15.

Consul Medhurst to Mr. Wade.

Sir, *Shanghae, July* 13, 1870.

I HAD hoped that the deplorable intelligence lately received from Tien-tsin might have no effect upon the peace of this port, after the momentary agitation occasioned by its arrival had passed away. But I regret to say that, during the last two days, signs of a general uneasiness and disquiet have exhibited themselves amongst the native population about us, and although I do not now apprehend an attack, or indeed any organized movement whatever on the part of the people, still I am of opinion that the state of feeling is such that any untoward accident, however trivial, might at any moment lead to a collision and consequent catastrophe. The animosity is principally directed against the French, but foreigners generally are looked upon as objects of hatred.

Last night an alarm was given that the French settlement was about to be attacked, and their volunteers turned out at once, but nothing transpired, whether because the alarm was a false one, or because the show of preparation deterred the would-be attacking party I have not yet been able to discover.

On the 9th, the Provincial Commissioner of Justice, Ying, formerly Taoutae of this place, arrived post haste from Soochow and asked to see Comte Méjan and myself. He said that he had been deputed by Ting the Futai to come down and see whether all was quiet here, but his real object only too plainly betrayed itself as being a desire to ascertain what telegraphic messages and despatches had been sent homewards and southwards. I availed myself of the opportunity of his presence to call his attention to a Proclamation (translation inclosed) by Ting Futai, just posted here, and to beg him to caution Ting, and the Mandarins generally, to refrain from referring to foreigners and kidnapping together in any public documents, as calculated to confirm and keep up the fallacies with which the minds of the people seem to be possessed. I have likewise thought it expedient to address a letter to the Taoutae, translation of which I submit herewith, requesting him to put a stop to the practice of inflammatory and anonymous placarding which I am told is already being resorted to here, although I have not as yet succeeded in securing a copy of any one such notice.

Her Majesty's ships "Zebra" and "Leven" are in port, and quite suffice for all protective purposes. The foreign communities here, moreover, revived the Shanghae volunteer corps, and my only anxiety now is lest the Chinese should, by some overt act, give occasion to our appealing to the protection thus happily afforded.

The French have no vessels-of-war in port, all their available vessels having been

detached to Tien-tsin. They will, therefore, have to rely somewhat on us for assistance in case of need. In affording this assistance, Her Majesty's Senior Naval Officer and myself will, of course, be guided, as far as possible, by the instructions in reference to the succour of British subjects and property when imperilled.

I have, &c.
(Signed) W. H. MEDHURST.

Inclosure 2 in No. 15.

Proclamation by Ting, Futai.

(Translation.) *July* 6, 1870.

WHEREAS it is absolutely necessary that in all matters, great or small, the people should lay the cause of their troubles before the officials and wait until they have carefully investigated and dealt with the matter in accordance with the law; no attempt at collecting a mob in order to do mischief and create a disturbance on their own account will be permitted, and a breach of this order will not be pardoned.

Of late, troubles and disturbances have been stirred up in several places through the false rumours of kidnapping, and the reports, growing in circulation, have confused matters and implicated (innocent) people.

Surely you know that the crime of kidnapping people with the use of drugs is punishable with death; and if any of you can bring clear proof of your having suffered injury at the hands of any one guilty of these practices, the local authorities, of course, will not fail to pay the fullest attention to the case, and inflict the severest punishment to the terror of evil-doers.

If there is no proof, and you carelessly give vent to your angry passions and show a disposition to come to blows all through listening to gossip which has no shadow of foundation, you only give an opportunity to dangerous vagabonds of raising a commotion for their own profit, and how can you expect to do this with impunity?

The Yang King Pang Settlement is the most important mart for foreign trade, and a vast deal of business is done there. Merchants come all this distance for the legitimate purpose of increasing their capital by trade, and you participate in their profits. It is, therefore, of first importance that you should treat each other with civility and not harbour empty suspicions.

This Proclamation is issued for the purpose of enjoining upon you the necessity of continuing your trade as usual without paying attention to false tales, which cause excitement and alarm which are injurious to your trade.

If there really are any of these rascally kidnappers, you can easily send them off to the magistrates for punishment; and if the magistrates deal leniently with the matter, you can come to my yamên and inform me against them. I shall not fail to institute the closest inquiry and punish with the utmost rigour of the law.

If there is any mobbing on this pretext, or the smallest injury done to either native or foreign merchants, I will inflict the punishment of death on the rioters, and search out the ringleaders, who shall be even more severely dealt with. Not a jot of consideration will be shown.

I have been in office at Shanghae a whole year, and at Soochow for three years, and have always taken the soundest measures to root out evil-doers and to protect the good, as you all must know. How, then, could I fail to meet these insignificant kidnapping rascals with severe punishment?

But if I redress the wrongs you innocently suffer at the hands of others, I must equally not allow the innocent suffering of foreigners at the hands of ruffians to be overlooked.

I am anxious to warn you from blindly falling into the meshes of the law, where regrets would be useless to you.

Don't make light of my repeated warnings.

A necessary, &c.

Inclosure 3 in No. 15.

Consul Medhurst to the Taoutae of Shanghae.

Sir, *Shanghae, July* 12, 1870.

I AM informed that attempts have been made within the last day or two, both in the city and settlements, to post placards directing inflammatory language against the

foreigners, and it is very natural to suppose that these evil-disposed people in the place, who would be glad to take advantage of the troubles at Tien-tsin, to fomet disturbance here in order to further their own atrocious purposes. I have caused orders to be issued to the foreign police to take up any person, no matter whom, engaged in posting any paper whatever in the public streets, and I have to request you to issue a proclamation forthwith prohibiting the practice of posting placards, and denouncing the circulation of malicious rumours on pain of being punished with the utmost severity of the law. The peace of the place is to a great extent in the keeping of the local authorities if they be strict and put down with a strong hand the slightest attempts at agitation, which it is clearly their duty to do, there need be no fear of any ill consequences. But if they show themselves weak and undecided a collision may occur between Chinese and foreigners before they are aware, and the responsibility will be entirely their own. Let it not be said hereafter that you had not every warning at my hands.

I think it essential, moreover, that the rule which has hitherto been in vogue, that no proclamation shall be posted in the settlements by the local authorities without its first being submitted to the Consuls, should be strictly observed; and I beg you will give orders accordingly.

I have, &c.
(Signed) W. H. MEDHURST.

No. 16.

Mr. Hammond to the Secretary to the Admiralty.

Sir, *Foreign Office, September 5*, 1870.

IN reply to your letter of the 31st ultimo, I am directed by Earl Granville to acquaint you, for the information of the Lords Commissioners of the Admiralty, that his Lordship concurs in the proposed approval of the measures adopted by the naval authorities in connection with the recent outrage at Tien-tsin.

I am to add that Lord Granville has no special instructions to give at present, but he is of opinion that Admiral Kellett should act as far as possible in communication with Mr. Wade.

I am to inclose, for their Lordships' information, copies of a correspondence with the French Ambassador on the subject, together with a telegram from Mr. Wade received on the 31st ultimo, relative to the state of affairs in China.

I am, &c.
(Signed) E. HAMMOND.

No. 17.

The Secretary to the Admiralty to Mr. Hammond.—(Received September 7.)

Sir, *Admiralty, September 6*, 1870.

WITH reference to my letters of the 31st ultimo, and this day's date, I am commanded by my Lords Commissioners of the Admiralty to request you will state the Secretary of State for Foreign Affairs, that the Commodore at Hong Kong has stated in a letter, of the 21st July last, that—

"Further accounts from the north describe considerable excitement as prevailing at Shanghae. Demonstrations of a hostile nature have been made by the Chinese, but as yet no serious outbreak has occurred."

2. Commodore Price also reports that—

"Her Majesty's gun-boat 'Banterer' left on the 13th for Foo-chow, an that the 'Starling' gun-boat was cruizing in the neighbourhood of the Lye-e-moon Pass in quest of certain piratical junks which had lately attacked traders in that locality."

I am, &c.
(Signed) THOS. WOLLEY.

No. 18.

The Secretary to the Admiralty to Mr. Hammond.—(Received September 7.)

Sir, *Admiralty, September 6, 1870.*

WITH reference to my letter of the 31st ultimo, I am commanded by my Lords Commissioners of the Admiralty to transmit to you, for the information of the Secretary of State for Foreign Affairs, the inclosed extracts from a letter of the 9th July last, from Vice-Admiral Sir Henry Kellett, in regard to the outrages recently committed by the Chinese at Tien-tsin, and the state of affairs in China.

I am, &c.
(Signed) THOS. WOLLEY.

Inclosure in No. 18.

Vice-Admiral Sir H. Kellett to the Secretary to the Admiralty.

Sir, *"Salamis," at Yokohama, July 9, 1870.*

I REGRET to inform you that I received news yesterday of serious disturbances at Tien-tsin, which had been accompanied by the murder of the French Consul, several Sisters of Mercy, and others, the burning of the French Consulate and Cathedral, and other outrages. All the particulars which have reached me will be found in my previous letter of this date.*

2. Considerable excitement prevails at Nanking amongst Europeans, on account of the ill-feeling and threats of the Chinese—indeed, the condition of China is by no means satisfactory, and I am taking every precaution to insure the safety of British subjects at the various Treaty ports, should the atrocities of Tien-tsin be repeated elsewhere.

3. Everything is perfectly quiet in Japan.

4. From Formosa I learn that the excitement consequent on the sudden execution of a mandarin, as was alleged for his friendliness to the English, has subsided.

5. Lieutenant Grey, of the "Algerine" has been investigating some piracy questions on the coast of Sumatra. He reports them as small affairs resulting from Chinese abusing the privilege of wearing the English flag.

The people of Sumatra complain of the unfair dealing of the Chinese who, they state, bring discredit on our flag.

The Chinese, on the other hand, accuse the Sumatrans of piracy, and constant complaints and counter-complaints are the result.

I have, &c.
(Signed) HENRY KELLETT.

No. 19.

Mr. Wade to the Earl of Clarendon.—(Received September 10.)

My Lord, *Peking, June 26, 1870.*

AS the mail forwarded to-day viâ Siberia will possibly reach England a few days sooner than that by any other route, I deem it my duty to send a summary of the terrible intelligence of which the telegraph will have earlier informed your Lordship.

There was a fearful outbreak at Tien-tsin on the 21st instant. The French Consul and his Chancelier were murdered in the streets. The mob, so far as I can learn, had already attacked the Consulate, the Roman Catholic Cathedral, and the Hospital of the Sisters of Charity, and, whether before or after the Consul's death I cannot yet affirm, a number of the Sisters were horribly massacred; one priest was killed, if not more, also a Consular interpreter and his wife. Other French subjects, together with three Russians residing apparently on or near the French position, perished as well.

The ground on which the buildings specified were situated, and the British concession, are on opposite sides of the city of Tien-tsin. The former is on a peninsula north of it; our concession is to the south, and a mile or two lower down the river than the city itself. The Protestant chapels, British and American, in the city, are said to have been gutted, if not destroyed; but the British concession has not been threatened.

On receipt of the intelligence here, a Decree was issued directing Tsêng Kwo-fan, as

* Inclosure 1 in No. 14.

Governor-General of the province, to repair to the spot. This was undoubtedly the best step that the Central Government could take. By accounts, however, dated the 24th instant, 2 P.M., the excitement of the city population was subsiding.

Such a disturbance was not, of course, the affair of a morning; and although many particulars that have reached me will need to be carefully weighed before I can pronounce for or against their credibility, I believe that the impression I have formed regarding the origin of this calamity will be found in the end correct.

I admit, *in limine*, that the educated class from which all Chinese officials are taken is anti-foreign. It is impossible that it should not be. I admit consequently that its influence with the masses will always be excited against us rather than otherwise. But, in the present case, whether, as many foreigners are prepared to believe, the people were egged on by the mandarinic class or not, it is unhappily certain that, independently of any such stimulus, there was ground for the suspicion and hostility of an ignorant multitude. The reception and purchase of infants, as often as not in a dying state, by the Sisters of Charity, had been exciting for some time past no little dissatisfaction, and the old story that the eyes of the infants were needed for unholy purposes had been revived. On the other hand, there is reason to fear that the unfortunate Consul, although, as I have been given to understand, he had more than once remonstrated with the Sisters, yet, in fighting their battle with the authorities, had borne himself intemperately, and that the collision in which he lost his life was provoked by some act or menace of his which was immediately visited upon him.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

No. 20.

Mr. Wade to the Earl of Clarendon.—(Received September 10.)

My Lord, *Peking, July* 3, 1870.

BY the Russian mail of the 26th June I had the honour to forward your Lordship a report of the attack upon the French Settlement at Tien-tsin, and the fearful massacre of the Consul and other French subjects.

I have delayed writing up to the last moment in hopes that I might be enabled to supply something like a connected history of this terrible outbreak; but this is not yet in my power. I have arranged the despatches and Memoranda inclosed in something like chronological order, and I have added an Analytical Table of their contents, which may be of some assistance in the study of this mass of documents.

The most important of these, in my opinion, is the letter of the French Consul, the unfortunate M. Fontanier, dispatched from Tien-tsin at 10 o'clock on the morning of the 21st June, little more than an hour before his death. It shows that for some days previously there had been mobs surrounding the Hospital of the Sisters of Mercy, and clamouring against them; the cry being that they were receivers of stolen children, of whose hearts and eyes they made unholy use.

On the 20th, Mr. Lay expresses his surprise at M. Fontanier's inaction, and it is not astonishing that he had heard nothing of the steps taken by M. Fontanier, for the latter had not even mentioned what was doing to his Minister. M. de Rochechouart first heard of the misunderstanding this question of the children had occasioned by the letter dated and dispatched on the day his Consul was killed; yet the public had certainly been murmuring for upwards of a month. So far back as the 5th June, a missionary absent in Peking was written to to return to Tien-tsin, because there was apparently trouble brewing.

I feel bound to combat the impression, which is that of many foreigners, that this discontent was sheerly the work of the authorities or of the influential classes. The Chinese, as their law-books show, do believe that by spells and drugs kidnappers can bewitch whom they will (*vide* Inclosure 33). In their Materia Medica various parts of the human frame are employed for purposes unknown to Western science (*vide* Inclosure 34). The educated classes are, in all that belongs to physiological knowledge, as ignorant and superstitious as the common people. I think it as likely as not that the Tien-tsin authorities did believe, as the people believed, that children were being kidnapped, and that for the purposes alleged; nor would this conclusion be shaken if it were shown that, as some declare, they took pains to extort a confession from those who have been brought before them as guilty of kidnapping. It is the habit of their Courts, in half the serious cases they try, to strain the evidence to secure a conviction.

I am not going to contend that they were not anti-foreign,—it would be difficult to understand how any mandarin can be anything else; and I shall not deny that had they chosen to soothe the people, the people might have been soothed, though this is by no absolutely certain. But it does appear that the only means to this end was neglected, and that the one chance of averting the storm was thrown away in the interview in which M. Fontanier reports the authorities who were demanding an inspection of the hospital to have forgotten themselves so far as to menace him with the wrath of the people.

Ch'ung Hou is a Manchu, high in office, but without magisterial functions. During the ten years that he has filled the post of Minister Superintendent (we might call him Consul-General) of the northern ports, he has gained the good opinion of every foreign official with whom he has had to deal. But the good understanding he has contrived to maintain with them would but add to his powerlessness in a crisis like that just past. He must have known what was ahead of him at least some days before the storm broke, and he is certainly chargeable with having done nothing to put foreigners on their guard. He seems to have regarded the affair as exclusively French, or more properly Romish, and he may have hoped that the arrangement agreed to by M. Fontanier on the 20th would have enabled him to calm the public mind. Had he thought otherwise, however, I doubt that he would have ventured to give the alarm. The blow struck, he tells a story which must be received with very great caution, to wit, that M. Fontanier came armed to his yamên, abused him, fired a pistol, if not at him, in his presence, similarly assaulted the Magistrate, and was consequently killed by the people.

Mr. Lay proves that in one important particular he has contradicted himself. On the 22nd he affirmed that M. Fontanier had been killed close to him, and that he had his remains in his yamên. On the 23rd M. Fontanier's body was recovered by Mr. Lay from the river.

On the other part there is almost complete unanimity in the reports that M. Fontanier was seen rushing armed towards Ch'ung Hou's yamên, and that either he or his companion did fire at, or threaten, the Magistrate with some weapon. And if this took place in Ch'ung Hou's yamên, his followers, to say nothing of the mob, would infallibly have cut down the unhappy Consul. The riot once begun, no official would for the time have been able to stay it. The most active of the rioters would of course be those who had something to gain by it, and I think with Mr. Lay that the attitude of the community and the badness of the weather had much to say in the immunity of the British settlement from molestation.

On receipt of the news of this tragedy at Peking it was agreed that the Representatives of the Treaty Powers in residence should sign a collective note to the Prince of Kung. I inclose a copy of this with the reply to it. His Highness is still confined to his room, but the conferences between the Ministers of the Yamên and the Diplomatic Corps have been frequent. These have led to one or two results worth notice.

Upon the 28th, a Decree was published apparently to meet the wishes expressed in the collective note. It is but a lukewarm production. It condemns, indeed, the lawless proceedings of the Tien-tsinese, but it scarcely insists with the peremptoriness the occasion demands upon the duty of the Government, under Treaty, both towards foreigners and towards Christians. Upon the 29th a second Decree, not published in the Gazette, but communicated to foreign Ministers, announced the appointment of Ch'ung Hou as High Commissioner to France; an arrangement understood to be specially acceptable to the French Legation. It is believed that he will have a colleague, but the Minister is not yet named. He will be most likely a Chinese.

The Tien-tsin outrage has, of course, been well ventilated amongst the Pekinese, but no foreigner has been in any way molested, nor have I heard any one remark upon the slightest change up here in the demeanour of the population.

I have, &c.

(Signed) THOMAS FRANCIS WADE.

Inclosure 1 in No. 20.

Governor-General Ch'ung Hou to the Yamên of Foreign Affairs.

(Translation.)

YOU have doubtless received my letter of the 4th of June, on which I requested you would deign to bestow your attention.

At the beginning of this month, the popular mind being disturbed in consequence of an extraordinary long drought and want of rain, rumours of all sorts prevalled. The first

was to the effect that young children were being drugged and kidnapped. This was followed by a story that bodies of children had been laid bare in the public cemeteries on the eastern bank of the river. The District Magistrate of Tien-tsin made inquiries into the case, from which it appeared that these children had been buried by the Sisters of Charity. It was then further stated that the eyes and hearts of these children had been torn out, but there was no evidence at all that such was the case. Later the Prefect and District Magistrate of Tien-tsin apprehended two kidnappers named Chang Chuan and Kuo Kuai, who, having been convicted of drugging and kidnapping, were put to death on the spot by the local Magistrates, in obedience to orders contained in a Circular issued by his Excellency the Governor-General of Chihli. Although they confessed to having torn out eyes and hearts for the manufacture of drugs, yet their statements in no way implicated the Christians.

Subsequently, Shen Hsi-pao, a teacher in the Roman Catholic establishment, returning home in company with his pupil Wu Chêng, was mistaken by the people for a kidnapper, and was arrested and assaulted; but as on investigation of the case by the Magistrate Lin, it was proved that they were really teacher and pupil, and that no kidnapping had taken place, he was sent to me. I informed the Catholic missionaries, and they took him away.

On the 18th June Wu Lan-chên, the kidnapper of Li So, was caught at Fao hua k'ou by some natives of the place, and sent before the Magistrate. He implicated Wang San, and other residents in the Roman Catholic establishment. Chou Taoutae reports that on this he proceeded in person to the French Consulate, and had a conversation with M. Fontanier, the French Consul, on the subject; that he gave him the minutes to read, and that the Consul for his part, in view of the great number of stories in circulation, agreed to take action.

I now forward, for your information, a copy of the deposition of Wu Lan-chên made before the District Magistrate of Tien-tsin. As soon as the case has been thoroughly investigated, and action taken, I will report further. Meanwhile, I have the honour to present this note.

With respectful compliments.

(*June* 19, 1870.)

Inclosure 2 in No. 20.

Statement of Wu Lan-chên (a kidnapper, apprehended June 18).

(Translation.)

I AM a native of Ning-chin-hsien, and 19 years of age. My father and grandfather are still alive. My father's name is Wu Tsun, and he is in his 45th year. My mother's maiden name was Fang. I have no brothers. I married in the first month of the present year. As I had nothing to do at home I left my home on the 18th February, and went by land to Chêng-chia-k'ou, and came on by a relation's boat to Tien-tsin, where I gain my living as a sailor. Up to this time I was not acquainted with Wang San of the Ho Lou,* but on the 13th June he drugged me and carried me off to the Roman Catholic church at Ho Lou. I was not allowed to go into the inner rooms, nor did I see any foreigner. I went, indeed, only to the threshold. Wang San urged me to become a Catholic. I at first refused. Wang San said he would have my life. This put me in a great fright and I then consented. He gave four dollars to a man named T'ang to keep for me. On the 14th he gave me a packet containing a stupefying drug, and told me to go all over the country and (kidnap) men by means of this drug. The drug was a fine powder wrapped up in paper. I went to Mu-chuang-tzu and there met a man of about 20 years of age, and wearing light blue coat and trousers. I put some of the drug in the palm of my hand and rubbed it on his face. He became quite silly and followed me, and I hurried back to the Roman Catholic Church, and handed him over into Wang San's keeping. For this Wang San paid me 5 dollars and gave me another packet of the drug, which I took to T'ao-hua-ssu village, where I saw the individual Li So drawing water. I stupefied him with the powder and he followed me in the same way as the first man had done. But I was caught by some of the villagers and brought before the magistrate. There are seven other men in the Roman Catholic church besides myself who were engaged in kidnapping. Every evening we slept inside the barrier in the church. Wang San was our chief. Every morning he brought out some powders from the inner room and gave one to each man, as well as 300 cash to buy food with. If we did not succeed in drugging any one before

* Some one of the Roman Catholic buildings is indicated.

the evening we gave back the powders to Wang San. Of the other seven engaged in in this work I know Wang San and Wang Urh, natives of I-chow-ch'êng, Lin Hsiao, Lin Ha, and Lin Urh, natives of Fu-k'ou-i, in the district of Ch'ing-hou. The other man's name I do not know.

Wang San is about 20 years old, has a fair complexion, slightly marked with the small-pox. After I had been drugged by Wang San and carried off to the church, he gave me an antidote which I drank and immediately recovered my senses. Wang-san then told me that when such nostrums have been used, some sweet grass, a cicada's shell, and a certain insect should be dried before the fire and ground to powder, and then worked up with oil of sesame; a draught of the hot decoction of this will bring people round at once. Yesterday, when I was caught in T'ao-hua-ssu village, asked me what to do, and I told them to give Li So this antidote, and said that he would recover after drinking it.

The 5 dollars I received for kidnapping the man from Mu-chuang-tzu I concealed in the belt of my trousers, but when I was seized at T'ao-hua-ssu I lost them. When I was living in the Roman Catholic establishment, every day before I went out Wang San gave me a red-coloured powder to take as snuff. After a pinch of it I felt very brave and thought of nothing but kidnapping people. When I returned in the evening Wang San gave a draught of medicine as an antidote which brought me to my senses, but by that time the gates were shut and I could not get out.

Inclosure 3 in No. 20.

Acting Consul Lay to Mr. Wade.

My dear Mr. Wade, *Tien-tsin, June* 20, 1870.

THERE is no doubt that a very hostile spirit on the part of the natives towards foreigners exists here at present. It has smouldered for some time, and is now breaking out.

The Sisters of Charity have been very stupid in buying children, and so on; and the old cry has been raised that they do this for an unholy purpose.

Their house has been mobbed lately, and the excitement increases rather than diminishes. Yesterday Dr. Fraser was attacked in the city, and had he not been mounted, would probably have been much hurt. He galloped away as fast as he could, and so saved himself.

I am not an alarmist, and merely write to you privately to tell you how we fare here.

I have written to Ch'ung of course, asking him to issue a Proclamation, ordering the people to be civil to foreigners, and not molest them when they visit Tien-tsin city. The result we shall see. The Foo here issued a stupid Proclamation the other day, in which, although he is very careful to conceal his opinion, he yet allows those who read it to imagine that he believes wicked people to kidnap children; and he has already executed two men, &c.

We do want a man-of-war here. These troubles increase when one is absent.

Mr. Platt came to tell me to-day that his compradore (who has been in Shanghae, and was educated by foreigners) had just mentioned to him that on his way to the city he met a knot of people, and listening to their conversation he heard them say that they would kill a certain foreigner who passes every day:—"Let us kill the foreigners."

I put no faith in idle rumours; but I cannot shut my eyes to the fact that we are far from being liked here, and that the authorities are as anti to foreigners as ever.

I cannot understand Fontanier's inaction with regard to the Sisters. Nothing seems to have been done.

Believe me, &c.
(Signed) W. H. LAY.

Inclosure 4 in No. 20.

Proclamation by the Magistrate of Tien-tsin, ordering the Apprehension of Kidnappers.

(Translation.)

ON the 6th June, Chang Chuan and Kuo Kuai, who had drugged and kidnapped Li Ta-yang, a youth belonging to the Ching-hai district, were arrested by Chang Yung, of the village of Yung Fêng, and brought to trial. It appearing, from their own

confession, that they had really been guilty of kidnapping young people by means of drugs and spells, they were, in accordance with (the Governor-General's) instructions* put to death on the spot.

I have been told that these villains are employed to drug and kidnap young people in all directions,—the brains, hearts, and eyes (of the victims) being extracted, and made into medicine. What practices can surpass these in barbarity? And whereas, if the law be not vindicated, the safety of the people cannot be secured, the magistrate has already employed his executive, and has issued Proclamations, ordering the arrest of these people. But the suburbs of Tien-tsin are populous and extensive; and these kidnappers will too probably continue their practices, and will skulk about the neighbourhood, hiding in secret places, from whence, watching their opportunity, they will issue to drug and kidnap unsuspecting young people. Active measures must be taken to arrest them, if their cruelties are to be put a stop to, and the locality tranquillized. The Prefect, therefore, is again sending out his Executive, without show of mercy, to hunt them down, and capture them; and he accordingly issues this further Proclamation.

Inclosure 5 in No. 20.

M. Fontanier to the Count de Rochechouart.

M. le Comte, *Tien-tsin, le 21 Juin,* 1870.

NOTRE petite ville de Tien-tsin, d'ordinaire si tranquille, vient d'être troublée depuis quelques jours par des cris et des attroupements aux environs de l'établissement des Sœurs de Charité et du Consulat. On accusait les Sœurs d'arracher les yeux aux enfants, de plus hardis déterraient les morts provenant de leur hôpital. Enfin le Taotai vint me présenter la déposition de plusieurs témoins déclarant avoir été victimes des recruteurs de petits enfants employés par nos missionnaires. Je n'eus pas de peine à lui démontrer que tous ces bruits étaient l'œuvre de la malveillance; mais le Taotai s'étant présenté officieusement, je lui promis, sur sa demande réitérée, de veiller à ce que nos Sœurs de Charité n'employassent désormais que des individus d'une moralité éprouvée.

Quelques heures après (le 19) le Tche-hsien se présentait au Consulat accompagné d'un délégué de Tchong Heou (Ch'ung Hou) dans l'intention de provoquer, séance tenante, une enquête officielle au domicil des Sœurs et des Missionnaires Lazaristes. Mais comme il commit la maladresse de s'emporter, et même de me menacer du ressentiment de la population, en paraissant vouloir exiger de moi ce que ses supérieurs avait laissé quelques heures auparavant entièrement à mon appréciation, j'en profitai pour rompre l'entretien, en rappelant au Tche-hsien que c'était seulement avec l'Intendant des trois ports du nord que j'entendais continuer cette affaire, mais que je ne le rendais pas moins responsable des conséquences des troubles dont il semblait me menacer, car j'étais persuadé qu'il en était seul l'instigateur.

Je priais le délégué de Tchong Heou d'informer son Excellence du résultat de mon entrevue avec le Tche-hsien, en attendant que j'allasse moi-même lui porter une plainte contre la conduite peu convenable de ce Magistrat. J'eus le plaisir de recevoir la visite de Tchong Heou lendemain. Il me parla en de fort mauvais termes du Tche-hsien, tout en essayant de l'excuser. Il se plaignit du peu de cas que les autorités locales avaient fait de ses observations quand il avait essayé de démentir les faux bruits répandus contre nos missionnaires, s'étant finalement trouvé dans l'obligation de les laisser faire une démarche à laquelle il avait refusé de se joindre, ce qui lui valut de nouveau l'épithète de "bras droit des Européens."

Ce petit incident, qui aurait pu prendre une mauvaise tournure sans l'intervention de Tchong Heou, paraît aujourd'hui à peu près terminé; Tchong Heou m'ayant en outre promis d'ici à quelques jours de publier une petite proclamation pour apaiser les esprits.

(Translation.)

M. le Comte, *Tien-tsin, June 21,* 1870.

OUR little town of Tien-tsin, generally so quiet, has been troubled for several days by shouting and mobs in the neighbourhood of the establishment of the Sisters of Mercy and of the Consulate. The Sisters were accused of tearing out children's eyes, those who were more bold exhumed the dead that came from their hospital. Finally, the Taoutae came and presented to me the deposition of several witnesses, declaring that they had been victims of the kidnappers employed by our Missionaries. I had no trouble in

* A circular had been issued by Tseng Kwo-fan, Governor-General of Chih-li, authorizing the summary punishment of kidnappers when taken.

proving to him that all these reports were the work of ill-will; but the Taoutae having come officially, I promised him, at his reiterated demand, that I would watch that our Sisters of Mercy should not for the future employ any but persons of proved good character.

Some hours afterwards (the 19th) the Tche-hsien came to the Consulate accompanied by a delegate from Tchong Heou (Ch'ung Hou) with the intention of bringing about, on the spot, an official search at the domicile of the Sisters and of the Lazarist Missionaries. But as he was ill-advised enough to become angry, and even to threaten me with the anger of the populace, wishing apparently to exact from me that which his superiors had a few hours before left entirely to my judgment, I profited by it to terminate the interview, reminding the Tche-hsien that it was only with the Intendant of the three Northern Ports that I meant to continue this matter, but that I made him none the less responsible for the consequences of the troubles with which he seemed to threaten me, for I was confident that he alone was the instigator of them.

I requested the delegate of Tchong Heou to inform his Excellency of the result of my interview with the Tche-hsien, until I should myself go and complain to him of the improper conduct of this magistrate. I had the satisfaction of receiving the next morning a visit from Tchong Heou. He spoke very ill to me of the Tche-hsien, trying all the time to exculpate him. He complained of the little consideration given to his observations by the local authorities when he had attempted to deny the false reports spread against our Missionaries, having at last been obliged to let them take a step in which he refused to join, which again gained for him the epithet of "the right arm of the Europeans."

This little incident, which might have taken a bad turn but for the intervention of Tchong-Heou, appears to-day to be almost at an end; Tchong-Heou having besides promised me to publish in the course of a few days a small proclamation to allay the excitement.

Inclosure 6 in No. 20.

Acting Consul Lay to Mr. Wade.

[N.B.—This despatch did not arrive in Peking until June 27.]

Sir, *Tien-tsin, June* 21, 1870.

IT is my painful duty to report a very unsatisfactory state of things at this port. For some time past there have been threats from the Chinese that they will kill the foreigner or drive him away from Tien-tsin. The last few days the excitement has increased; the Chinese have declared their intention to burn the Roman Catholic Cathedral and the French Consulate, and to kill all the foreigners.

Dr. Frazer was attacked the day before yesterday in the city, and had he not been on horseback and been able to gallop away, he would have been seriously hurt.

I have no fear of actual danger to life, but I have as regards property,—an enormous quantity of this being in our settlement; and in the face of daily reports, now made openly, that we shall be driven away from this or killed, I feel I should not be doing my duty were I not to ask the Senior Naval Officer to return in his vessel at once. He has been absent now at Che-foo since the 15th ultimo; and his return, in the ordinary course of events, would, I imagine, be soon. I am, therefore, asking nothing exceptional when I request him to hasten his return.

I am quite certain that the mere presence of a vessel of war in this port would allay the excitement at once.

No French or American or Russian gun-boat has visited Tien-tsin this year.

I have, &c.

(Signed) W. H. LAY.

Inclosure 7 in No. 20.

Governor-General Ch'ung Hou to the Yamên of Foreign Affairs.

(Translation.)

A RESPECTFUL communication.

I presume that your Excellencies have already had under consideration my letter of the 19th of June, reporting on the kidnapping at Tien-tsin, the implication of

the Roman Catholic establishments by those proceedings, and on the threatening rumours which were abroad.

On the 22nd instant (June 20th), I went to M. Fontanier and begged him to come to my yamên that we might together examine a kidnapper (who had been arrested), and so ascertain the truth or falsehood (of the rumours which were abroad). To this M. Fontanier replied that the Roman Catholics had been guilty of no practices of the sort, and that he had no jurisdiction. I then asked M. Fontanier to send at once for Père Chevrier that I might myself examine him, informing him at the same time that unless this matter was sifted to the bottom, and the Roman Catholics proved clearly to be guiltless (of the charges brought against them), it would be impossible to quiet the suspicions of the people, which were then so determinedly aroused. Père Chevrier (who had been sent for) and M. Fontanier begged that the Intendant, Prefect, and Magistrate of Tien-tsin would go to the Roman Catholic establishment and see for themselves. With a view to subsequent proceedings I accordingly proposed to send the Intendant, Prefect, and Magistrate with the prisoner Wu Lan-chên on the 23rd instant (21st June) to the Cathedral, that he might point out the localities (alluded to in his charges), and if possible identify from among the Chinese of the establishment his acquaintance and confederate Wang San and others. Père Chevrier perfectly assenting, the arrangement was concluded then and there. Accordingly at 10 o'clock to day (21st June), the Intendant Chou, the Prefect Chang, and the Magistrate Lin, took the man Wu Lan-chên to the French Cathedral, where they met Père Chevrier, who was very civil and respectful. The prisoner was directed to point out and proceed to the places he had visited. It was then found that the mat-shed and barrier-gate mentioned in his evidence did not exist on the premises, and that he could point out nothing to support the truth of his statements. As for the man Wang San and the others implicated by the prisoner, he could not identify any one of them. These officers brought the man back to the yamên, and informed me of the result of their investigations. By-and-bye Père Chevrier came to the yamên to consult as to certain measures to be taken for the future. We agreed that henceforth all deaths occurring at the hospital should be reported to the officials, who would examine the bodies and see them buried; also that a return should be sent in of the pupils in their schools, and of the children, male and female, supported by them; and, to disarm suspicion, that no opposition should be made to the officials inspecting their establishments at any time they wished. After taking leave of Père Chevrier, I was in the act of drawing up a Proclamation which I was anxious to get out at once in order to dispel the suspicions of the people, and quiet the minds of foreigners and Chinese, when, at 2 o'clock, I suddenly heard that a disturbance had arisen between some people belonging to the Cathedral and a crowd of idlers. I sent a military officer to suppress them, when I heard that M. Fontanier had come to the yamên. On going out to meet him, I saw that the Consul, whose demeanour was furious, had two pistols in his belt, and that a foreigner who accompanied him was armed with a sword. They rushed towards me, and as soon as M. Fontanier came up to me he began talking in an indecorous manner, drew a pistol from his belt, and fired it in my presence; the shot fortunately did not take effect, and he was seized. I could not accept Mr. Fontanier's challenge,* and so withdrew. On entering the room he began to break the cups and other articles on the table, keeping up at the same time an incessant storm of abuse. I went out again to see him, and told him that the crowd (outside) had a very threatening aspect; that as the entire fire brigade was with them, evidently intending to assist, I was afraid of a disturbance and advised him not to go outside. He, however, reckless of his life, rushed out of the yamên. I sent some men after him to escort him (on his way). M. Fontanier met the Magistrate Lin, who was (endeavouring) to control the mob, and who tried to keep him back; but he fired at this officer, hitting one of his servants. The mob, enraged at this outrageous conduct on the part of the Consul, at once pursued, surrounded, and killed him; they then set fire to the Cathedral, but the fire was put down before it had time to spread. They also destroyed the establishment of the Sisters of Charity, and the Protestant Chapel inside the city. At this time while the mob was raging it was repressed by me, in conjunction with my colleagues civil and military, and by a force sent by myself, while I sent information to the Consuls to allay their apprehensions, informing them of the steps I had taken. The mob found ten children in the establishment of the Sisters of Charity. The excitement is subsiding. This is a true account of the origin and progress of the disturbance.

This affair arose in the first place from the suspicions and hostility of the people being excited by an idle rumour that the children buried (from the hospital) had had their eyes and hearts cut out; and, in the second place, from the confession of the kidnapper Wu

* This passage would have been better translated:—"It would not have been seemly for me to have come into personal collision with M. Fontanier."

Lan-chên, implicating people belonging to the Roman Catholic establishment. I am memorialising His Majesty on the origin of the disturbances as ascertained, and have ordered the immediate arrest and punishment of the ringleaders. It is further my duty to acquaint your Excellencies at once with all the details of the collision and riot. I beg you will have the goodness to inform the French Minister as soon as possible.

5th month, 23rd day. (21st June, 1870).

Inclosure 8 in No. 20.

Acting Consul Lay to Mr. Wade.

Sir, *Tien-tsin, June* 21, 1870.

I HAVE just written a despatch to you, in which I pointed out to you that there was much trouble here, and that I had fears that the Chinese would carry out their threats and burn the French Roman Catholic Cathedral. My worst fears proved only too true; and to-day the Cathedral, French Consulate, and Sisters' Hospital were burnt to the ground.

It is a great regret to me to report that the French Consul has perished, one Russian lady and her husband, and several of the sisters.

I am assured by Ch'ung Kung-pao that there is no danger to English subjects; but I have felt bound to call the community together, and a guard of the whole of the residents has been called, and they will protect the settlement until troubles end.

I have, &c.

(Signed) W. H. LAY.

Inclosure 9 in No. 20.

Acting Consul Lay to Mr. Wade.

Sir, *Tien-tsin, June* 22, 1870.

IN continuation of my despatch of yesterday's date I have the honour to report that, although many rumours were abroad that the Chinese intended to burn our English church and houses close by, we spent a quiet night. The whole of the community were out on watch all night, and we saw nothing that indicated any danger to us.

This morning, however, there are reports that much excitement prevails in the city. All the Christian converts are being mobbed and maltreated. All the chapels were pulled down yesterday. The people are determined, now they have begun, to finish the work—which is stated to be to pull down our church, kill the missionaries, and drive the foreigner away from Tien-tsin.

The whole of the missionaries, American as well as English, came to Her Majesty's Consulate last night, and were cared for. They have now gone on board the steamer "Manchu," and although this is against my wish, as an appearance of danger, yet I have no power to stay them.

His Excellency Ch'ung Hou asked me to meet him and all the Consuls this morning. I did so.

The result, in a few words, is, that he would at once return and confer with the other authorities, and devise means for our safety. He wished to send troops into our settlement. This I objected to at once, alleging that we had more to fear from these men once allowed in our settlement than even from the people.

I asked that the troops might be posted outside the city, and ordered to disperse the people if they intended coming here.

His Excellency could give me particulars only of the murder of the French Consul.

He says M. Fontanier entered his yamên yesterday, and complained bitterly that the populace were allowed to plunder his Consulate. He requested his Excellency to come with him to stop the trouble.

M. Fontanier then got very angry, and fired his pistol twice at his Excellency.

They then proceeded to the Consulate, and on their way they met the Magistrate.

The Consul rushed to his chair, and accused him of assisting this trouble by not preventing it. He then fired at the Chih-hsien ("Magistrate"), and the shot struck one of the attendants, doing but little injury.

The people upon this rushed upon him, and killed him as well as his secretary.

This is his Excellency's statement. I have no means of testifying to its accuracy or inaccuracy. I give it as his statement merely.

The Consuls present and myself then asked his Excellency in reference to the people murdered. He at first stated that the bodies were taken care of. Upon my questioning him, and taking down on paper the names of those who were killed, he put on the usual official reticence, and knew nothing except that the French Consul was killed. I am quite certain he knows every detail of the whole unfortunate occurrence, and could give every particular if he wished.

My wish was that these poor people should be found, and their bodies given Christian burial. They could have been interred here, and been removed to their own cemetery in the city when the priests return; but the majority of the Consuls being against this, I simply asked that the bodies be put in coffins, and placed in a secure place until the French authorities take action.

Those known to have been killed are—the French Consul, the French Secretary, a lady and gentleman (French) staying at the French Consulate, one French priest, one French merchant, eight Sisters of Charity: in all, fourteen people.

It is with great regret that I report that these unfortunate Sisters had their dresses opened, they were then stabbed, their hearts and eyes taken out, and they were thrown into the blazing embers of their own house. Two heaps of charred flesh and bones just outside their house show where they were inhumanly murdered.

I have, &c.
(Signed) W. H. LAY.

Inclosure 10 in No. 20.

Acting Consul Lay to Mr. Wade.

My dear Mr. Wade, *Tien-tsin, June* 22, 1870.

I WROTE you the inclosed* on the 21st, but yesterday I forgot to send it on. We are in a fearful state here; all the community are on guard, but we can do nothing. We were up all last night, and I have been hard at it all day. The Chinese now determine to pull down and burn the present Russell's Hong, known as Mr. Sandri's French-and-to-night (*sic in orig.*).

I shall certainly stay by the Consulate until forced to leave it.

Pray excuse haste, both official and private. I write hurriedly, with the community rushing in and out of my office, asking questions and making complaints. They congregate here and talk, and it is almost impossible to do anything.

Believe me, &c.
(Signed) W. H. LAY.

Inclosure 11 in No. 20.

The Foreign Representatives to the Prince of Kung.

Monseigneur, *Péking, le* 24 *Juin,* 1870.

C'EST avec la plus profonde douleur et indignation que les soussignés, Représentants des Gouvernements étrangers accrédités en Chine, ont appris la nouvelle du crime atroce qui vient d'être commis à Tien-tsin, à une des portes même de la capitale de l'Empire. Le Consul de France, les missionnaires et Sœurs de Charité, ainsi que les nationaux Français résidant à Tien-tsin, ont été massacrés et leurs établissements incendiés. D'après les renseignements, peu précis il est vrai, qui jusqu'ici sont parvenus à Pekin, il est à craindre que la populace fanatisée ne se soit portée à d'autres excès envers les résidents étrangers à Tien-tsin.

Les Soussignés ne doutent point que le Gouvernement de Sa Majesté l'Empereur de la Chine, dans sa haute sagesse, ne partage l'indignation générale ressentie à la suite des atrocités commises, et qu'il n'ait la conscience de la responsabilité grave qui pèse sur lui, ainsi que de son devoir de prendre les mesures indispensables pour empêcher le renouvellement de pareils actes, qui dans le cas où ils se reproduiraient ne saurait que sérieusement compromettre la position du Gouvernement Impérial vis-à-vis du monde entier.

Or, les événements de Tien-tsin prouvent que les étrangers ne sont pas partout suffisamment protégés par les autorités locales en Chine. Il est donc de l'intérêt du

* Inclosure 6 in No. 20.

Gouvernement Impérial même de démontrer, par des actes irrécusablés, sa ferme volonté d'assurer dans toute l'étendue du territoire Chinois la sûreté des résidents étrangers qui sont confiés à sa loyauté. Si une pareille catastrophe peut éclater à quatre-vingt milles de la capitale de l'Empire, les Soussignés ne peuvent s'empêcher de craindre que dans les cas où les coupables ne seraient promptement punis, de nouveaux attentats ne se produisent sur des points plus éloignés de la capitale où l'action de l'autorité centrale est encore moins efficace. Il est indispensable que le monde entier, en apprenant la nouvelle du crime, soit en même temps informé que justice est faite, et qu'il puisse être rassuré sur le sort des citoyens confiés à la protection de la Chine.

Les Soussignés, &c. (Signé) REHFUES.
F. LOW.
KINT DE ROODENBEEK.
PATXOT.
DE ROCHECHOUART.
BUTZOW.
T. F. WADE.

(Translation.)

Your Highness, *Peking, June* 24, 1870.

IT is with the deepest grief and indignation that the Undersigned, Representatives of the foreign Governments accredited to China, have learnt the news of the atrocious crime which has just been committed at Tien-tsin, at one of the very entrances of the capital of the Empire. The Consul of France, the missionaries, and Sisters of Charity, as well as those of French nationality resident at Tien-tsin, have been massacred, and their establishments burnt. According to the reports, but little precise, it is true, which, up till now, have reached Peking, it is to be feared lest the fanatical populace should be carried on to other excesses towards the foreign residents at Tien-tsin.

The Undersigned do not doubt that the Government of His Majesty the Emperor of China, in their great wisdom, share in the general indignation felt on account of these atrocities committed, and that they are conscious of the grave responsibility which weighs upon them, as well as of their duty in taking the measures necessary to prevent the renewal of similar acts,—a recurrence of which could not but seriously compromise the position of the Imperial Government in the sight of the whole world.

The events of Tien-tsin further prove, that foreigners are not everywhere sufficiently protected by the local authorities in China. It is then for the interest of the Imperial Government even to demonstrate, by unmistakeable acts, their steadfast desire to assure, throughout all the extent of the Chinese territory, the safety of the foreign residents who are confided to their good faith. If such a catastrophe can take place at eighty miles from the capital of the Empire, the Undersigned cannot help fearing that if the guilty are not promptly punished, new attempts may arise at points more distant from the capital, where the action of the central authority is still less efficacious.

It is indispensable that the whole world, in receiving intelligence of the crime, should at the same time be informed that justice is executed, and that it should be reassured as to the fate of the citizens confided to the protection of China.

(Signed) REHFUES.
F. LOW.
KINT DE ROODENBEEK.
PATXOT.
DE ROCHECHOUART.
BUTZOW.
T. F. WADE.

Inclosure 12 in No. 20.

Mr. Wade to Acting Consul Lay.

Sir, *Peking, June* 24, 1870.

I AM in receipt of your despatches of the 21st and 22nd instant respectively, the first announcing the destruction of the French Consulate and Roman Catholic establishments at Tien-tsin, with the murder of the French Consul and other French subjects; the second containing such information as had reached you regarding the fearful treatment of the unhappy sufferers while alive and after death.

I have also your private notes, and approve entirely of your resolution not to abandon

the Consulate until forced to leave it. I shall be much relieved to learn that you have been enabled to communicate with Che-foo. I cannot doubt that whatever naval force is there stationed will immediately hasten to your assistance.

As for any direct from this quarter, it would be vain to promise it. Any troops that could be sent would be as unwelcome protection as those offered by Ch'ung Ta-jin, whom you have very wisely declined to receive into the settlement. The Central Government has taken the one step in its power towards restoration of order. A Decree forwarded yesterday to the Governor-General Tseng Kwo-fan directed him to proceed to Tien-tsin. He will be with you, I trust, by the 27th, and I have full confidence that, if you have managed to tide over the intervening days, you will, after his arrival, have nothing to fear.

You mention that you proposed to Ch'ung Ta-jin that he should post troops between the city and the settlement. I hope that this has been done.

You will do well, on one pretext or another, to see or communicate with Ch'ung Ta-jin as frequently as you may be able. He must be aware by this time that the Governor-General has been ordered to Tien-tsin. I inclose copy of the Decree, however, which you can send to him, and the issue of which you should, without any demonstration, make known to as many Chinese as possible.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure 13 in No. 20.

Mr. Wade to Acting Consul Lay.

Sir, *Peking, June* 24, 1870.

IN continuation of my previous despatch of this date, I have too add that I heartily approve your humane efforts to secure Christian burial to the remains of the unfortunate victims of the late outrage.

I need scarcely instruct you, if opportunity present itself, to take steps for the protection of their remains until more definite instructions can be afforded you regarding their disposition.

Your, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure 14 in No. 20.

Acting Consul Lay to Mr. Wade.

Sir, *Tien-tsin, June* 24, 1870.

I HAVE the honour to report that all is at present quiet here. The excitement seems dying out; and although various rumours are abroad that the soldiers here are to be sent to man the Taku forts, stake the river, and then kill the foreigners, yet I put very little faith in these rumours.

Yesterday we found the body of the French Consul, fearfully mutilated, floating down the river; also the bodies of a Russian lady and gentleman (both naked); later the bodies of three Frenchmen and one lady were sent to me by Ch'ung Hou. All were identified, and I had them put in coffins, and this morning placed in the foreign cemetery, it being impossible longer to keep them in the Consular compound.

The bodies found are:—
Two Russians (men).
One Russian (lady).
The French Consul.
M. Thomassin (French).
Madame Thomassin (French)
The French Secretary.
M. Chevrier (French).

I am writing a more detailed account, but so much has to be done that I get no time even to sit down, much less to write despatches.

I send this in order that you may know the present state of affairs here.

I have, &c.
(Signed) W. H. LAY.

Inclosure 15 in No. 20.

Acting Consul Lay to Mr. Wade.

Sir, *Tien-tsin, June* 24, 1870.

I HAVE the honour to send you a more detailed report of what has been done in the unfortunate murder of French and Russian subjects.

Information having been brought to me yesterday morning at 6 o'clock that a dead body was seen floating down the river, I proceeded at once to the bank, where I found the remains of a female. As Russians were missing, I sent at once for the Russian ladies and gentlemen; they recognized the lady as the sister of M. Startsoff, and just married to one of the Russian gentlemen here. A few minutes later we found another body, recognized as that of her husband, and close by another, a Chinese, one of the coolies who was killed while carrying them through the city.

The lady had her chemise tied round her head, the body otherwise was quite naked: her left arm was broken and there were several wounds on her body; her husband had been likewise stripped. I lent the services of my constable who, with the aid of a few sailors, for no Chinese would touch the bodies, removed them to the Russian hong, and they were buried at 3 o'clock yesterday.

Since then a third Russian has been picked up and taken out of the river, and will be buried this morning.

Shortly after this, to my intense surprise, the body of the French Consul was found. His Excellency Ch'ung Hou had the day previously told me, as well as other Consuls who had met together to consult with him the state of affairs, that Fontanier was killed by his side, and that his body was in the Yamên. I asked him specially to have a coffin made, and to keep the body until the French Minister arrived; he replied, "I will do so." I was, therefore, much surprised to find the unfortunate Consul floating down the river.

His body was fearfully mutilated, but he was easily recognized by those gentlemen, Frenchmen and others, that I called in to see him. He was naked except his feet. I had his boots and stockings taken off, and if any further proof were required of his identity, his stockings were marked "H. F."—Henry de Fontanier. I had a coffin made and the body placed in it, and this morning I have been obliged to close it, as the body is decomposing fast.

Later in the day Ch'ung sent the Taoutae and Yaou Ta-jin to the Consulate to say that they had picked up five bodies, French. I said at once that I would take charge of them, as the Consul of a friendly nation. I should like them to be recognized by those who knew them. I accordingly had them brought to the Consulate, and they were examined. A more fearful spectacle I never saw. The first coffin contained M. Thomassin (who was on his way to Peking with his wife when attacked), severely maltreated. I cut out a portion of M. Thomassin's shirt marked with his initials. The piece is now in the Consulate. The second contained Madame Thomassin. This poor lady was lying on her side, dressed, and had it not been for a slight discolouration on the face, decomposition setting in, one would have thought she was asleep merely. Upon lifting her head we found a fearful gash at the back of the head, which had probably killed her at once. We did not further examine her body. The wedding and other rings had been taken off, and her earrings torn out.

The next coffin contained a body fearfully cut; this is the body the Chinese authorities told me there would be difficulty in recognizing. Two gentlemen, however, whom I asked, pointed to a small tuft of hair on the chin as peculiar. M. Simon, the French Secretary, wore just such an imperial, and there is no doubt that it was his body.

The body of M. Chevrier, the head of the Lazarite Mission here, was recognized at once, his face not having been much disfigured. The body of one of the Christian-ordained priests (supposed), utterly unrecognizable.

These are all the bodies sent me by Ch'ung Hou, viz.:—three Frenchmen, one lady, and a body supposed to be that of an ordained Chinese Roman Catholic priest.

After recognition, I had the bodies placed in a small house in the Consular compound, there to remain till I could hear from the French Minister. This morning, however, the stench is so frightful, I cannot keep them any longer; and I have just had them placed in the foreign cemetery. The coffins have been covered with earth, and they will remain until the French authorities demand them for burial. I have painted numbers upon the coffins so that by-and-by there may be no difficulty in knowing each particular body.

As a mark of sympathy, Her Majesty's flag has been half-mast for the last two days. After the interment yesterday of the French Consul, and the five others, I had the flag hoisted again.

I have thus, as briefly as I could, given you the particulars of the finding, condition of the bodies, and their disposal.

I find it difficult to write, every minute I am interrupted by subjects of all countries who rush to Her Majesty's Consulate, as if once there in the Consul's office, they were safe, and as if the Consul had nothing to do but talk to them.

There are still numbers of bodies missing. M. and Madame Chalmasson, French merchants; he was killed coming out of his own door. His wife escaped down a small China street, and was taken into a small house, and hidden by the women. At night she dressed herself as a Chinese girl, and went back to her own house. Finding it deserted, she tried to return. She had forgotten the house, and knocked at one door, and called out to open. The people heard her, knew she was foreign from her way of speaking, and they killed her.

There is no doubt but that it was her body, and not the body of one of her sisters which was lying in the street, a report of which was made to me yesterday.

I have coffins ready; but I am afraid there is but little chance of recovering any more of the bodies. I have requested the North German Consul to send men and boats down the river (he has a number of vessels in harbour); but even if a body were seen now, I doubt whether any man would go near it.

And now I come to the last painful part of this sad description. Nine poor Sisters of Charity are dead. I cannot find that any of them have escaped. I asked the Chinese authorities two days ago to send out a searching party to search everywhere; and if they found a poor lady anywhere, in the name of common humanity, to take care of her, and send her to me, I would take charge of her. The most horrible part remains to be told; and I approach it with much dread, but I cannot but say what I do know.

After every inquiry I have made, there is no doubt but that these poor ladies were stripped naked, in order as the mob said their sex might be seen; they were then exposed to the brutal gaze of a brutal mob, then stabbed, and flung into the fire. Other outrages are reported. I say no more. A few bones are left in the court-yard of the hospital, and this is all that is left of the unfortunate Sisters of Charity.

Two priests are still missing, and I am afraid will never be found now.

I am, &c.

(Signed) W. H. LAY.

Inclosure 16 in No. 20.

The Prince of Kung to Mr. Wade.

(Translation.) *June* 25, 1870.

THE Prince of Kung, &c., makes a communication.

The Grand Secretariat has had the honour to receive His Majesty's Decree directing the Grand Secretariat Tsing* to proceed to Tien-tsin and take action with regard to the recent troubles there. The Yamên, on its part, has also written to the Minister Superintendent of the three northern ports (Ch'ung Hou) instructing him, without show of mercy, to arrest the parties concerned in the disturbance, and to punish them with the utmost rigour of the law; that, by making an impressive example of them, others may be deterred from the like. He was also told that it was even more necessary to prevent further troubles by insuring the safety of the foreign Consulates and mercantile establishments.

The Prince has now to inform Mr. Wade that the Minister Superintendent has written to say that, very early on the morning of the 22nd, he went to the office of the Commissioner of Customs to meet the Consuls and to reassure them. He had told them that there was no cause for alarm; he had also sent officials to the foreign establishments in the northern and eastern suburbs, and having ascertained that no harm had befallen these or their inhabitants, he transmitted letters from them to Tze-chu-lin for the satisfaction of the foreign residents there. He was at the same time sending officials in all directions to repress disorder, and by every means in their power to protect foreigners. The excitement was subsiding, and the Consuls had acknowledged his communications.

A necessary communication addressed to Mr. Wade, &c.

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* Tseng Kwo-fan. He proceeds in his capacity as Governor-General of the Province of Chili.

Inclosure 17 in No. 20.

Acting Consul Lay to Mr. Wade.

Sir, *Tien-tsin, June* 25, 1870.

ALL is quiet here at present. The Chinese seem settling down again to their business. A Proclamation has been issued ordering them to open their shops.

No vessel of war has yet arrived, although, by the "Dragon," leaving on the 21st instant, I asked that the "Opossum" might return here. The steamers "Manchu" and "Appui" are giving every assistance; they have their guns ready.

The ladies, with the exception of my wife and the Russian Consul-General's wife, are on board these steamers, and will remain for the present.

I saw another body floating past the Consulate last evening. It was past recognition, but we made it out to be the body of a woman. It was fearfully cut, and the skull broken in two, the head nearly off the body. In order, if possible, to identify it, I had the clothes cut off. They were Chinese, and no undergarment which a foreign lady would wear was on the body. The hair was coarse, and I am of opinion that it was the body of one of the Chinese Sisters who were known to be in the cathedral. I have preserved what I found round her neck,—some charms.

I sent for a coffin, and late last night I placed her body in our cemetery.

The Chinese are now suffering from fright. Reaction has set in, and many of the rich merchants here have left. The people fear vengeance. They know it will come, and they are moving away until peace is restored.

I would ask that no French vessel be sent for until arrangements be made for a large force to come. I am quite certain that the arrival of a French gun-boat with a few men on board would be the signal for the rising of the whole of the troops in the city. Their animosity to Frenchmen is great, and they will fight now to the last. There would be great danger to the English and the English Settlement if any attack were made by the French, which attack suffered defeat.

I know not, of course, what may be the opinion of the French Minister, but I feel it my duty to state that if any attempt is made with one or two gun-boats to avenge this insult, the probability is that no one will be left to tell the tale of defeat and slaughter.

The Chinese are very determined now, and I am quite certain will take up the gauntlet and fight.

If revenge in the form of an attack on the city be intended, let it be with a sufficient force.

I write, knowing nothing of the French Minister's action; but I should hardly be doing my duty if I did not point out to you, Sir, the danger of any hasty action, such as ordering up a French gun-boat at once. So long as the French keep away everything will be quiet; but directly a vessel arrives we shall have the troops upon us, and we can do nothing to assist the French or even to protect ourselves.

If any action be intended, a sufficient force should be collected at some rendezvous, say, Che-foo.

I have, &c.
(Signed) W. H. LAY.

Inclosure 18 in No. 20.

Acting Consul Lay to Mr. Wade.

Sir, *Tien-tsin, June* 26, 1870.

I HAVE just received your two despatches of the 24th instant, and write back to tell you what has occurred here since I wrote yesterday.

Yesterday evening Ch'ung Ta-jin sent me a Proclamation he had just issued, in which he tells the people that Tseng Kwo-fan has been deputed by the Emperor to come here and arrange all matters. He warns the people that if they give trouble he will seize and severely punish them. The Proclamation I regret I cannot send you a copy of. To-day being Sunday, the Chinese writers are away in the city and I cannot communicate with them, but to-morrow I will inclose you a copy. The Proclamation will, I think, quite quiet the people. All was quiet last night, and I anticipate no trouble from the people. All the ladies, with the exceptions I have already mentioned, are still on board the two steamers here, and will remain for the present. They are too much alarmed to be trusted on shore at present.

I have no fear of danger now, but I have fear if any action be taken by the French. I trust the French Minister will either appear in person or by deputy, and meet Tseng Kwo-fan. As Consul of a friendly nation I have done my best to assist, but I feel I can say nothing to Tseng when he arrives.

My opinion, and my account of what I did, and of what the authorities did and did not do (which will form the subject of a separate despatch), I shall only communicate to you.

I am strictly neutral until I have your orders. I shall assist, as far as I can, any French subjects. I shall report what I do to you, and there my action will end for the present.

Ch'ung Ta-jin has, a short time ago, sent me six coffins, supposed to contain the bodies of M. Chalmaison and his wife and four Sisters—just found, he said—French.

The body of M. Chalmaison is a fearful sight; his eyes have been cut out, and it is utterly impossible to identify the remains.

The lady is also unrecognizable: the body is a woman's body, and that is all I can say.

As for the poor Sisters, a few bones only have been sent. The first coffin contained —and I looked closely at the contents—one bone, probably a thigh bone from its appearance, a smaller bone, and a parcel of matter, probably a head. All were burnt bones and flesh, in pieces—no body at all—nothing but a few burnt bones.

I asked Dr. Fraser, and anybody who knew M. and Madame Chalmaison, to examine the bodies, but no identification has been made.

I have had them removed to the foreign cemetery and put under ground, waiting instructions as to their ultimate disposal. No gun-boat is here, although I expected one two days ago.

Mr. Acting Vice-Consul Frater reports to me that Taku is quite quiet.

I have, &c.
(Signed) W. H. LAY.

Inclosure 19 in No. 20.

Mr. Wade to Acting Consul Lay.

Sir, *Peking, June 26, 1870.*

M. DE ROCHECHOUART, Chargé d'Affaires of France, has requested me to authorize you to act for the moment as French Consul.

I have to acquaint you that I have assented to this proposition. I have full confidence in your discretion, and am persuaded that it is scarcely necessary to caution you to proceed in any question that regards the French, as undemonstratively as possible. With an official as intelligent as Ch'ung Hou, it will best be disposed of in an interview, or by verbal messages.

I am, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure 20 in No. 20.

Mr. Wade to Acting Consul Lay.

Sir, *Peking, June 27, 1870.*

I HAVE received your despatch of the 28th, and have shown it to M. de Rochechouart. He is writing to the Commander of any vessel of the French navy that may arrive at Taku to request him to put himself in communication with you and with the Senior Officer of Her Majesty's navy at Tien-tsin before he takes any step.

You will give Mr. Frater such instructions as will insure immediate transmission of M. de Rochechouart's despatch to the French commander, and as Acting French Consul, you will, of course, communicate your impressions to him regarding the expediency of his approach to Tien-tsin or the reverse.

I am, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure 21 in No. 20.

Mr. Wade to Vice-Admiral Sir H. Kellett.

Sir, *Peking, June* 27, 1870.

YOUR Excellency will have received, ere this can reach you, intelligence of the late catastrophe at Tien-tsin. The suspicions of the people appear to have been excited by rumours that the infants carried into the Hospital of the Sisters of Mercy were required for some unholy purpose—an old story. Their violence was consequently directed specially against the French. The British concession has been left unmolested, and I doubt not by this time order is restored.

I should be glad, however, to learn that your Excellency would for the present allow a gun-boat to remain anchored off the Settlement, and as it is next to certain that all the French naval force that can be assembled will be dispatched to Taku without delay, I submit to your Excellency that it may desirable to have our flag represented by one of the larger vessels of the squadron under your command.

I am, &c.

(Signed) THOMAS FRANCIS WADE.

Inclosure 22 in No. 20.

Mr. Wade to Acting Consul Lay.

Sir, *Peking, June,* 28, 1870.

I HAVE seen M. de Rochechouart this morning, and think that he will write to you to-morrow.

He is evidently anxious that you should impress upon Ch'ung Ta-jin this: that the population has no act of general retribution to fear. You are already in possession, doubtless, of the instructions sent yesterday through you to the Commandant of any vessel of the French navy that may arrive at Taku, and you may safely assure Ch'ung Ta-jin that even should a larger force present itself it will not be for the purpose of wholesale vengeance, although a full measure of justice will be certainly insisted upon.

I am, &c.

(Signed) THOMAS FRANCIS WADE.

Inclosure 23 in No. 20.

Acting Consul Lay to Mr. Wade.

Sir, *Tien-tsin, June* 28, 1870.

I HAVE the honour to report all quiet here.

I had a long interview with Ch'ung Hou yesterday. He is very anxious to compensate for the troubles by payment. He asked me to let him build up the chapels in the city, or to pay money. I replied I should do nothing without the sanction of my Minister.

His Excellency said it was the bounden duty of the Chinese authorities to repair all damage done, and restore the buildings destroyed. I quite agreed with him: but I did not see the need of haste in this matter, I would report to you and inform you of his Excellency's wishes.

The truth is, his Excellency is very much afraid of the arrival of Tseng Kwo-fan, and he wishes to do something—to do anything—that he may be able to report some action to the Governor of Chih-li when he comes to make inquiries.

I last evening received your despatch instructing me to act for the moment as French Consul, and I have replied to M. de Rochechouart that I have much pleasure in acceding to his request, and for the present will take charge of the French interests here.

I trust, if any action be taken, that I may have full and specific instructions from M. de Rochechouart.

Would it be well to see Ch'ung Hou again, or to wait Tseng Kwo-fan's arrival?

His Excellency Ch'ung was very anxious yesterday that I should allow him to rebuild the places destroyed; but, of course, I could give no such permission. I trust to be able to send you to-morrow a more detailed account of this unfortunate business.

I forgot to mention that all the Chinese houses and godowns in the city rented by Englishmen have been guarded by the authorities at my request, and also that, at my

request, on the day following the riot, two Swiss subjects (MM. Borel) were protected by the authorities and sent to me under a guard of soldiers.

I have, &c.
(Signed) W. H. LAY.

P.S.—Inclosed I have the honour to forward a copy of the Proclamation issued by Ch'ung Kung-pao, informing the people that Tseng Kwo-fan has been deputed by the Emperor to settle this business.

W. H. L.

Inclosure 24 in No. 20.

Acting Consul Lay to Mr. Wade.

Sir, *Tien-tsin, June* 28, 1870.

FINDING very great difficulty in obtaining any accurate information from the Chinese, or from others during the excitement that has prevailed here for the past week, I hesitated to write to tell you what happened before the late lamentable demonstration on the part of the Chinese towards French subjects. Moreover, I was so pressed for time, and had so much to do, that I thought it better to leave the account for the present, and write when quiet was restored.

My duty seemed to me to be to tell you all that had happened and was happening; to protest in the strongest way to the Chinese against these outrages; to guard the Settlement; to ask the authorities that any foreign subjects in the Chinese subjects might be sent to me under guard, no matter what their nationality; to protect British goods in the city; to protect our churches and meeting-houses; to protect living French subjects, and to take care of the dead; to search for the bodies of those killed, and endeavour to recognize them, to give them Christian interment, to hold examinations of the bodies for identification; to keep them in our cemetery until the French ask for them to bury them.

All this had to be done, and was done by me; and I contented myself with reporting to you, day by day, what I had done.

Now, however, that the excitement is somewhat allayed, I can give more particulars as to the cause of this trouble.

I would commence by saying that I have much difficulty in getting at the truth. Chinese say nothing, or say anything they fancy you wish them to say, and directly you begin to examine them they are speechless. I am getting Mr. Lees to examine all his converts in the city, and will get their evidence as soon as possible. The Chinese are in such a dreadful state of fright from their own authorities, and from their fear of retribution, trouble, massacre, that they are really afraid to say anything, frightful of committing themselves, or bringing the authorities upon them.

Rumours were abroad some time ago that the Chinese were disgusted at the action of the Sisters of Charity in buying children—they said for wicked purposes—and would take vengeance.

I took advantage of a call the Sisters made upon Mrs. Lay a week before the outrages were committed to ask them if these rumours were true: did they fear any trouble? They laughed at the idea, and said that there were a few bad men in the city, but they were not afraid.

A few days later there was the old cry, "the Sisters are buying children to scoop their eyes out," and so on; but all seemed quiet, and I expected nothing more than that there would probably be some request from the authorities for the Sisters to abstain from buying children.

On the 18th, however, I heard the Chih-Fu ("Head Magistrate") had put out a Proclamation in which, so far from quieting the people, he excited them by saying he had heard of these wicked practices; was very much hurt; he had already executed two Chinamen found kidnapping, and he would punish any one severely who was caught stealing children for unholy purposes. This Proclamation was adding fuel to the fire.

On the 20th, as the 19th was Sunday, I wrote to Ch'ung Hou, stating that I had had a complaint from Mr. Lees that the Christian converts were being molested, and the chapels and hospital (British) had been threatened; and I asked him to issue a Proclamation prohibiting people to touch the chapels and hospital.

I had no idea then that matters were so serious, and I thought a Proclamation posted at once in the city (as the then demonstration was principally against Christians and their religion) would at once stave off disturbance.

In the afternoon, however, Dr. Frazer reported to me that he had been mobbed, but being on horseback he escaped from the people who insulted him. As all the Chinese

had gone home in the city, I had no means of writing into the city. The next morning however, as soon as I could get the Chinese teacher, I wrote to Ch'ung Hou, calling attention to this insult, calling attention to rumours in the city, and asking him to request the Chih-Fu, who had already issued one Proclamation, at once to issue another and explain clearly that Chinese subjects must be civil to, and not molest Her Majesty's subjects while passing through the city, or engaged in their various business at Tien-tsin. This, I thought, would be at once done, but nothing of the kind has yet appeared.

The whole of the trouble was quite unexpected—it came suddenly; and Mr. Lees informs me that he is ready to swear he heard the gongs beat to call the mob together.

These gongs are in charge of the "huo-hui" (fire brigade), and are beaten in case of fire or any other trouble. On the gongs being sounded, the whole of the Tien-tsin people turn out, and flock to a certain point indicated. In this case they seem to have been told where to go; and if not, the presence and shouting of a large mob of people close to the French Consulate and Cathedral would very soon indicate the destination of those who were called out.

There is very little doubt in my mind that the Chinese authorities could have prevented this massacre had they wished, but I cannot see that any steps were taken by them to allay the excitement; on the contrary, the Chih-Fu increased it by giving credence to the reports against the Sisters.

Ch'ung Hou, the head Mandarin here, a special Commissioner, had a difficult part to play. He has no jurisdiction in Tien-tsin, and he is most unpopular from his being friendly to foreigners. Had he tried to stay this trouble when it arose, he would probably have been killed, for it seems the mob were determined to have revenge on the French, and would have let nothing stand in their way. I think, however, that he is guilty of neglect of duty in not issuing a proclamation long before, or of informing me of his disability.

No one knew the state of affairs better than he, and had he even waited until he saw the Fu's proclamation, there was plenty of time to have another issued.

What communications passed between him and the French Consul I know not, and it will probably be never known what remonstance was made by him, both Consul and Secretary being dead, and the Consulate burned and pillaged.

I may mention, by the way, that, on the morning of the day of the massacre, I had serious thoughts of visiting M. Fontanier to see what action he was taking; fortunately for myself I did not go, or I should have been one of the unfortunate.

The mob made no discrimination, and this is a strong point when we consider that the Chinese defend themselves by saying, "We were disgusted with the malpractices of the Sisters." No such thing. The cry was got up against them—the old cry—the old popular cry; but had this cry not succeeded, another equally absurd rumour would have been spread,—the object being, I think, to take revenge on the French for M. de Rochechouart's action some short time ago.

That the animosity was against the French generally, and not against the French Sisters only, I am quite convinced. The mob attacked and killed the Consul and set fire to the Consulate first; then they set fire to the hospital in which the Sisters were.

Farther than this, some French subjects escaped and came into our settlement. Each one of their names was known, and they were threatened with death. So afraid was I that these threats might be carried into execution, that I advised these gentlemen to go on board ship and leave the port, as they might be killed at any moment, and they were only a source of danger to us. The arrival of Her Britannic Majesty's gun-boat "Opossum," however, rendered it immaterial whether they stayed or left.

If the attack was made upon the Sisters, as alleged, how was it that a poor lady and gentleman, staying at the French Consulate, were brutally murdered; that two Russian gentlemen and one Russian lady were also brutally killed? The cry in the city was not "Kill the Sisters," but "Kill the French, and then kill the other foreigners." I am quite certain that, although no demonstration was made against us it was from no love on the part of the mob. We had the community under arms, and the ships armed, and they knew we should fight, and this latter fact considerably cooled their ardour. Fortunately, it commenced to rain very heavily, and this helped to keep the mob from coming down upon us.

I hear there is a military mandarin, Ch'en Ta-shuai, whom M. de Rochechouart caused to be degraded some time ago in Szechuen. This man seems to have assisted the mob, and to have prevented any intervention on the part of Ch'ung Hou.

As regards the death of the French Consul and his Secretary, I have examined M. Coutries, a Frenchman living not far from the French Consulate, and he tells me he heard great outcry in the morning, the people assembling from every quarter.

Their cry was, " Kill the foreigner—kill the foreigner " (not " Kill the Sisters"). He ran into the French Consulate, found all in confusion, and saw M. Simon leave the yamên with his Chinese writer. The Consul had not been able to get the writer to go alone with his despatch to Ch'ung Hou.

He, M. Coutries, went home then, and, returning again soon, the Chinese told him that the Consul had now gone himself to protest against the outrages. He rushed to the yamên then, and had much difficulty in getting protection, the officials in the court-yard being those who principally attacked him. He was kept in the yamên all night, and came down with Ch'ung Hou in the morning. He did not see the French Consul killed.

I am getting Chinese evidence to send to you. This has given much difficulty, but I have obtained a good deal of information, for which I am much indebted to the Rev. Messrs. Lees and Hall.

I have barely time to comment upon the evidence, it has just come in, is now being copied, and I send it as fast as I can to you, reserving any remark I may have to make until I have more time.

My opinion is—

1. That this trouble was the result of the general hatred to foreigners, and in this case principally to the French.

2. That the cry against the Sisters was merely the usual cry, that Chinese children were being kidnapped for wicked purposes, for the want of some other or better cry.

3. That the local authorities here heard the cry; and so far from aiding the foreigners, they assisted the ill-feeling. The Fu's Proclamation proves this.

4. That the local authorities could, had they wished, at any time have prevented the outrages. His Excellency Ch'ung Hou has but little authority over these officials. He is pro-foreign, and hated by them, and has no control, or but little, over either authorities or troops. He lost his heart and head when troubles came upon us; and although I believe him to be thoroughly true and honest, so far as foreigners are concerned, yet he is to blame for not telling me of his difficulty. During the whole affair I depended upon him solely; and I regret that I discovered that he had little, if any, power over the officials here.

I send inclosed:—

1. My letter to Ch'ung Ta-jin written early on the 20th.
2. My second letter, written early on the 21st.
3. A Memorandum of the Fu's Proclamation.
4. The evidence of the Chinese who have been guaranteed by Messrs. Lees and Hall, as honest and truthful men. I promised them to conceal their names to allay their fears.

I have their names, but they were given to me confidentially.

30th June.—This despatch has been detained through press of work, and my waiting to get more Chinese evidence.

The Fu's Proclamation I have not yet obtained; but I hope to get it to-night, and will forward it as soon as I get it.

I have, &c.
(Signed) W. H. LAY.

Inclosure 25 in No. 20.

Chinese Evidence as to the Massacre of June 21, 1870.

[The numbers are by Mr. Wade.]

(1.) THE scandals began about a month ago, to the effect that, in the Consulate and Hospital, children were killed; that there were kuai-tzu (kidnappers), employed to obtain them.

On the Saturday (18th June) previous, heard that the Catholic premises were to be burnt, and the foreigners slain. Heard this from many quarters. Heard the fire-guilds called together by gong; and having before learned the intention of the people, knew it was for this purpose. Did not go to the Consulate, but was present at the destruction of the Hospital, standing near the back door. The premises were already in flames when he arrived, and the Sisters slain. The perpetrators were the fire-guilds, who, when the deed was done, were summoned to return by the usual call. Did not see Fu's Proclamation. Knew that the schools had been closed as the result of a rumour, but had no idea where it originated. As to its origin, is of opinion that the literati would not have dared to do anything without a prior understanding with the magistrates, and that therefore, in any case, the latter are the guilty parties.

Especially the Fu, to whom he has reason to believe testimonials were offered by the people three or four days before the outbreak, but were declined by him for the time:—"Wait until it is all over."

A man living in the same yard told him he saw the first gong struck. It was a brass wash-basin, and the man who struck it came out of Chung's yamên, after the seizure and binding of a Frenchman in the yamên.

The celebrated Romish surgeons (Lu) had their house plundered, and one of them, Lu-li-i, was killed.

(2.) More than a month ago "yao yen" (rumours) were current relative to the "kwai tzu," and their connection with the French, to whom the children were sold, for the purpose of using eyes, heart, brains, &c., or medicine. Later another rumoür obtained currency that they were in the habit of rushing off to the Catholic premises, and seizing men; then two "kwai-tzu" were seized and beheaded by the Hien, under orders of the Fu. In the Proclamation afterwards issued the names and native places of these men were not named, and it is believed that they were simple travellers. They were both seized by the constable (ti-pao) of Yang-fêng-t'un, and were slain without proper examination or evidence that the children found with them were not their own.

(3) saw the Fu's Proclamation, and attributes the recent troubles largely to its influence. Its substance was:—"Chang swan rï, kuo kuai rï si p'ai kuai rï kuai jen . . . . . kuai chü hsian hui tsai hsin, chü nan, wan jên p'ei, yan sï yung pei jen chu tsu . . . . . Feng wen min chien nan ken women t'ung hen."

Subsequently as the result of this Proclamation, and in gratitude for it, the people in large numbers united in presenting an official umbrella ("wan ming san") covered with characters (names of persons), and a tablet with the characters upon it to the Fu. These the witness saw in the Hu-pu-chie within the city. They were received by the Magistrate, and he has been told, though here he speaks only from information of others, that the bearers were furnished with cakes, &c., by the Magistrate.

This was four or five days before the riot. Several literary men, therefore, began to prepare a "ping tie" for presentation to the Fu, asking who these men—Chang Swan, Kuo Kuai—were, where they came from, whose children they had seized, to whom they had sold the children for the purposes stated, and also demanding why, without first punishing those who had been in the habit of buying them, the officials had killed the men. The gist of the whole being a complaint of the mandarins for having acted upon suspicion.

The names of the men were also looked upon as casting suspicion upon the whole affair. Three or four days before the riot another man, 19 years of age, was seized in the north of the city on the old charge. Being beaten by the Hien, he said he was employed by a man named Wang San of the Romish Hospital to purloin children.

(4) (the man who visited Peking) says:—the calling of the people together by means of the five gongs is an old custom in Tien-tsin. This being the fourth case within his memory. On the 23rd (native month), when at work at home near the south-east corner of the city, he heard the gongs, and was told the people had risen, but did not learn for what purpose. Suspecting, however, trouble in which Christians might be involved he went to the East Gate Chapel, but had to flee from there, and made his way to the city, and thence to the Mission at Tsz-chu-lin, leaving for Peking next day.

He reports that he still finds it unsafe to return to his home, also that the persecution of the Romanists still continues. The roads between here and Peking are peaceful, and everywhere but at Tien-tsin severe blame is attached to the Chih-hsien and Chï-fu.

(5.) These troubles began about the 5th month (to-day is the 1st of the 6th month). The beginning was the interment on the east of the river of thirty or forty bodies from the Romish Hospital. The coffins were new, but it is said, and witness believes, that they contained little but bones, though when the bodies deceased or where they were brought from he cannot tell. The interments all took place within a few days, and some thought that the deaths must have occurred during the winter. Others that the bones were those of bodies taken from some old burial-ground which was to be used for other purposes. Anyway the affair made a great noise, and for a week or more hundreds visited the ground daily. The excitement constantly grew, and these interments, connected with other rumours that children were stolen and killed for the sake of obtaining their viscera to make medicine of [*sic*], and became even more dangerous. The coffins were many of them opened, and the bones scattered, the grossest indignities being heaped upon the remains of those who were supposed to have become Christians.

The matter of the kidnappers followed—men, nicknamed "kwai-tsz," being accused of stealing children to sell to the Romanists. A general feeling of fear and indignation took possession of the people. Two men, as stated in his evidence, were seized. Witness

believes these men were Tu-lin men, and that the children gave evidence against them, the men themselves confessing that they had employed medicine to stupefy their victims, and that they were kidnapping them for sale. The men were executed upon their own confession. Subsequently five or six others were seized.

The Proclamation by the Fu followed. The next rumour was that the Sisters were in the habit of seizing passers-by, and this had such an effect that numbers dared not pass the Jên-tsz-t'ang, except in large companies.

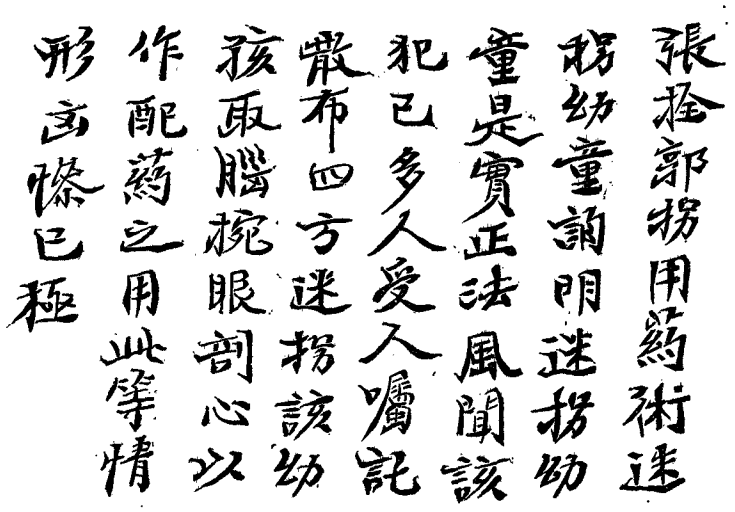
About the same time the schools were closed, the story being that the foreigners intended to visit them for the purpose of taking the scholars.

On the 17th or 18th a "kwai-tsz," 19 years of age, was seized, named Wu Lan-chen. This man himself said that he was commissioned by the Romanists to kidnap. The man's life was promised him if he spoke the truth, and his story was that his chief was a man named Wang San, a Chian-chang (a native priest or elder ?) at the T'ien-chu-t'ang (cathedral), who gave him medicine and 5 dollars for expenses.

A few days later, in consequence of this man's statement, the Chi-fu went to the cathedral to look for this Wang San, and was met by the foreigner (priest or Consul) and conducted over the premises. The servants were also brought out, and the Fu was asked to point out Wang San. The man Wu Lan-chen was unable to point out the man he accused, but nevertheless the mandarins paid repeated visits to the place. On the morning of the 23rd, the Fu went again on the same errand. Large crowds had already collected on the banks of the river. On coming out a child threw a brick, which, being resented by one of the servants at the Consulate, and the child followed, the crowd took up the quarrel. The French officials then came out unarmed and went to Ch'ung's yamên, whither the native officials had already gone. Ch'ung at once sent out with them several small mandarins to quiet the people—the disturbance broke out afresh in one place as soon as it was quieted elsewhere. A rioter was at length seized, but this only led to the officer who had seized him being wounded and all being compelled to retreat. The Consul then went for their weapons, and again went to Ch'ung's yamên. Report says that the mandarin was twice shot at, a follower of the Hien being hit by the second ball. Ch'ung then tried to pacify the Frenchmen, and the Frenchmen gave up their weapons to his officers. They were then conducted out of the yamên by these men, Ch'ung remaining in the yamên. The moment they appeared the mob rose upon them.

While they had been in the yamên the mob had proceeded to the cathedral, and one Frenchman had been slain there. They accordingly met the now enraged crowd, and were killed while on their way back to the Consulate, which was now given up to pillage, the gongs sounding the call all over the city. The fire-guilds arriving at the bridge of boats were met by the Hien, who, under orders from Ch'ung, endeavoured to prevent the guilds south of the river from crossing, and the bridge began to be opened; but, just at the moment, either Chen Chen-tai or Chen Ta-swai (there is a difficulty in saying which, as both have the same hsing—surname) came up and wanted to cross. According to Chinese custom, this was at once allowed, and the guilds crossed with him, he shouting, "Han hsiau tze! meng yung! kwo chü! kwo chü!" The guilds north of the river had, however, already finished the work of slaughter, and nothing remained but to fire the buildings. Returning, the mob rushed off to the hospital and at once began their task there. The Protestant chapels were taken in order—first the East Gate, then the Tsa-men-k'eu, the K'u-leu (?) pei, and the West Street.

(6) says the following are, as nearly as he can recall them, the characters used in the Chih-fu's Proclamation of the 17th (native month ?) :—



The remainder he cannot recall, but he knows that it said something about the indignation of the people, and expressed the sympathy of the mandarins with their feeling. A similar Proclamation was issued by the Chih-hien, although the wording differed, and the witness thinks it possible he has now confused them in his mind.

(7) says, on the 25th (native month), hearing the disturbance, made his way to Ch'ung Ta-jen's yamên. Saw the Consul enter the yamên; does not certainly know what transpired in there; did not see the Consul come out. Witness recrossed the bridge going toward the city. Saw the crowd coming out of the yamên, a foreigner being among them; heard shouts and saw a great struggle. He also heard that they had thrown the body into the river.

Saw the bridge of boats opened by order of the Chi-hien, and the Chen-tai arrive armed, attended by troops, and the bridge closed by his order. Was too distant to hear what the Chen-tai said, but heard from many in the crowd that he called out repeatedly to the mob ; and as those who reported these words did not know him, and he heard them upon the spot and often repeated, he believes this to be a fact. Moreover, though too distant to hear the words of this official, he saw his gestures, which were such as would suit this language.

Saw the plunder of the hospital, and several natives killed; also saw one woman carried off to the yamên, after having first thrown her into the river and then drawn her out upon the promise that she would give evidence in their favour and declare that she had been forcibly abducted.

Witness himself heard this promise required and given.

Leaving the crowd he made his way towards the settlement. On the river bank the mob overtook him, some soldiers known as being among them. All were armed and loudly shouting that they would go to Tsechulin and plunder the hongs.

Witness then returned towards Ch'ung Ta-jen's yamên, and afterwards heard that the mob had been met and turned back by officials sent by Ch'ung, who said to the mob, "This is a French and Romish matter; don't create trouble with any other people." The witness then returned home.

Inclosure 26 in No. 20.

Acting Consul Lay to Mr. Wade.

Sir, *Tien-tsin, June* 29, 1870.

I HAVE the honour to report the arrival here this morning early of Her Majesty's ship "Avon."

With this protection I have no fear of attack on the British settlement. British property and subjects are, I think, quite safe now.

Her Britannic Majesty's gun-boat "Avon" carries four guns, as under:—One 7-inch, throwing 150-lb. shot; one 64-pounder; two 25-pounders (Armstrong)..

Her draft of water is light, 8 feet. She is a twin screw, and was built expressly for river work. She has a crew of 84 men.

I have, &c.
(Signed) W. H. LAY.

P.S.—All remains quiet at present.

W. H. L.

Inclosure 27 in No. 20.

Imperial Decree, published on the 28th June.

(Translation.)

THE religious establishments at Tien-tsin having been implicated* in the charge brought against certain villains accused of stupefying infants and kidnapping them, a mob of the people, moved to violence by their suspicions, attacked the French Consul and murdered him, set fire to and destroyed the religious establishments, attacked and murdered other persons, and killed by mistake some Russians of the mercantile classes.

With reference to these deplorable events we have already issued a Decree directing the Board to take cognizance of the offence of Ch'ung Hou and of the local authorities

* It should be *falsely* implicated; but the term used could have been equally used whether the charge were true or false. The deposition of one man still in custody charged a native Romanist with providing drugs, &c.

guilty of mismanagement. Orders have also been sent to Tsêng Kwo-fan to ascertain the exact truth, and report to us, and without show of mercy to arrest and execute the kidnappers and the ringleaders of the riot.

That since the commencement of trade with foreign nations, now a long time ago,* there has been no misunderstanding between the native and foreign mercantile communities is because in all international questions there are the Treaties to follow.

Our Government, feeling a like affection to all, distinguishes between our people only as good and evil, not as belonging to the Christian persuasion or not belonging to it: and it will be the duty of the authorities of any locality in which villains making themselves out to be Christians are acting in contravention of the law, on each and all such occasions to seize them, to examine them carefully, and to punish them with the utmost severity. Are the people, forsooth, to be free to give currency to idle rumours, and of their own wild will to commit excesses?

Fearing that the violence of which they have been guilty at Tien-tsin may be the occasion of suspicion and hostility on the part of the population elsewhere, we command the Governors-General and Governors of every province to give peremptory orders to the subordinate authorities of their respective jurisdictions to issue earnest proclamations, and to take steps for the insurance of good order, so extending their protection to those engaged in trade or in missionary work in all parts as to prevent the simple people from making a disturbance on this pretext or that.

Respect this.

Inclosure 28 in No. 20.

The Prince of Kung to Mr. Wade.

(Translation.)

THE Prince of Kung makes a communication.

On the 28th instant the Grand Secretariat had the honour to receive His Majesty's Decree as follows:—"We command Ch'ung Hou, a Vice-President of the Board of War, and Minister Superintendent of the three (Northern) Ports to proceed to France as our Envoy. Respect this."

On the same day the following Decree was also received:—"Let Chêng Lin act as Minister Superintendent of the three (Northern) Ports in place of Ch'ung Hou, who is proceeding on a mission. Respect this."

As in duty bound the Prince forwards copies of the above Decrees, reverently made, to Mr. Wade for his information.

A necessary communication addressed to Mr. Wade.

(*June* 29, 1870.)

Inclosure 29 in No. 20.

Circular by Mr. Meadows to the Foreign Residents of Tien-tsin.

Tien-tsin, June 29, 1870.

THINKING that the following news may be of interest to the foreign residents of this port, I have now the honour to communicate to the public:—Seeing the state of doubt which existed amongst the foreigners at this port regarding the feelings entertained by the inhabitants of the city towards foreigners, I determined to test such for their information and guidance: and, this forenoon, dressed in plain clothes, without any signs about me of being an official, walked up to the town alone, going up the river bank. When I reached the place where the brothels are, half-way up to the foreign hongs, I stopped in a shady place near it, and employed myself ostensibly in mopping my face, but really to see if any of the ruffians who are in general collected there would say or do anything to me. No one interfered with me, although numbers of people stared at me, but said not a word. After this I proceeded on to the foreign hongs, past the late residence of the Sisters of Charity, to the hong of T. Sandrie and Co., where I called and saw the compradore. After that I proceeded to the town hong of Messrs. J. Livingstone and Co., and learned there of the death of their compradore during the past night from the compradore of Mr. J. Hanna. After that I went to the hong of Messrs. Russell and Co., when I drank a cup of tea and talked with the compradore for a quarter of an hour. I

* That is, since 1860. The argument is the toleration of Christianity is as much a Treaty stipulation as any other. There is not, as people may imagine, any distinction between Chinese Christians and other Chinese.

then proceeded to the north gate, walking through the principal business streets of Tien-tsin, where thousands of people where collected for business purposes. I returned by the city wall, and called in at the Meih Tosze hong for a few minutes. After that I walked past the east gate, and finally reached the settlement without molestation, and without incurring one word of abuse.

I am of the opinion that the foreign mercantile people of this settlement can proceed to town as formerly, without being liable to incur any molestation or abuse of any kind.

(Signed) JOHN A. T. MEADOWS.

Inclosure 30 in No. 20.

Mr. Wade to Acting Consul Lay.

Sir, *Peking, July* 1, 1870.

I AM in receipt of your despatches of the 28th and 29th ultimo, respectively.

You cannot do wrong in at once accepting Chung Ta-jin's offer to pay whatever money may suffice to rebuild the British Missionary Chapels destroyed in the city. The representatives of the missions interested must supply you with estimates which you will of course consider carefully before you make any demand. As to the immediate reconstruction of the chapels, you must be careful to inform yourself that opposition is not to be looked for at the hands of the Chinese public, or of that section of it to which the late exhibition of hostility is more particularly to be ascribed. In a word, be sure, before building operations are commenced, that they will not be interrupted.

You must not rely wholly on official resources for your information. Chung Ta-jin is, I doubt not, as you report, very anxious to do all that in him lies to rehabilitate himself before the arrival of the Governor-General, and I am anxious that you should give him all reasonable support, but it is impossible, just now at all events, to reckon on his coolness of head; and, in his desire to strengthen himself with the foreigner, he may not impossibly suggest measures which, in the present crisis, it will not be expedient for the foreigner to resort to. I have not heard whether it is yet considered safe for foreigners to pass and repass through the city. If it be safe, you will easily ascertain from others, and by your own observation, whether the builders would be molested or not. I shall be glad to learn that the money is paid, but, beyond this, be in no hurry to move.

I perhaps misunderstand your question about seeing Chung Ta-jin again. I do not in the least object to your visiting him, unless you conceive it dangerous to go into that part of Tien-tsin in which he lives. If it be, do not go. Otherwise, let your communications be as usual, and let those about you perceive that, although horrified at the excesses of the mob on the 21st ultimo, we do not regard ourselves as objects of the hostility of any class, and that so long as the Imperial Government leaves this or that official in his post, we maintain official relations with him as heretofore.

I am, &c.

(Signed) THOMAS FRANCIS WADE.

Inclosure 31 in No. 20.

Acting Consul Lay to Mr. Wade.

Sir, *Tien-tsin, July* 1, 1870.

I HAVE the honour to inclose a copy of the Proclamation that was issued by the Prefect some days before the late outrages were committed. I am sorry I am unable, through the illness of the interpreter here to send you translation.

This copy is vouched for as accurate, and I am indebted to the Rev. Mr. Lees, who has taken great pains to obtain me a copy. I think that you will agree with me, after reading it, that a Proclamation of this kind would hardly tend to allay excitement.

There is still some excitement in this city, and I have felt it necessary again to request all British subjects I see not to go into the city at present.

I circulated some days ago my wishes, and this morning a British subject came telling me he had been yesterday close to the French cathedral. He had not, he says, seen any circular. He tells me people stared and pointed at him as a foreigner wherever he went, but he kept very quiet and returned home as soon as possible.

I do not think Tien-tsin safe yet, and I have forbidden all preaching in the city for fear of the mob collecting again and doing mischief.

I omitted to mention that a Chinese was found on the top of the English church here

the other day after the massacre, with bundles of straw in his possession, and other materials for firing it.

On examination, he stated he was only coming to see what the top of a church was like. Could not account for the straw, but said he had no matches wherewith to fire the place. I sent him in at once to the Magistrate.

I have not been able to get further evidence from him.

After the many threats held out by the mob that, after the burning of the French cathedral, &c., they would come and burn our chapel, I cannot but think that this man was sent down with everything ready, and that the firing of the church was to be the signal for the mob to come down and pillage.

Our prompt action, however, prevented this. The knowledge that, so far from their man firing the church, he had been seized by the British Consul, and had been sent to the Magistrate, kept them away. They knew we had guards over the place, and they feared to fight us, otherwise I think there would have been dreadful doings in the British settlement.

I have, &c.
(Signed) W. H. LAY.

P.S.—I have just obtained some more Chinese statements from Mr. Lees, copies of which I inclose.*

W. H. L.

Inclosure 32 in No. 20.

The Prince of Kung to the Foreign Representatives.

(Translation.)

THE Prince of Kung, &c., makes a communication.

The Prince has to acknowledge the receipt, on the 25th instant, of the collective note of their Excellencies the Foreign Ministers, to the effect that the French Consul, and certain missionaries and others, had been murdered at Tien-tsin; that fears were entertained for the safety of the other residents at that port; and that while it behoved the Chinese Government to take immediate steps to secure everywhere the lives and property of foreigners, which it is plain are but imperfectly protected by the local authorities, the authors of the present outrage must be arrested and punished, &c.

The Prince has already informed the Ministers of the condition of the affairs at Tien-tsin, and has given particulars of the action there taken. His Highness has now to state that the Minister Ch'ung Hou now reports that, having been addressed by the foreign Consuls, he has taken such steps for the security of foreigners as will, he thinks, prevent any further mischief. With reference to precautionary measures to be taken in the provinces, the Yamên have desired the Provincial Governments to direct their subordinates to protect the foreign residents within their jurisdiction by every means in their power, and summarily to arrest, and punish with the utmost rigour of the law, all disturbers of the peace: that so foreigners of all classes may be henceforth evermore secure against molestation.

A necessary communication addressed to the Ministers Plenipotentiary of Prussia, America, Belgium, and Spain, and to the Chargés d'Affaires of France, Russia, and England.

(*June* 27, 1870.)

Inclosure 33 in No. 20.

Memorandum on the Chinese Law upon Kidnapping.

IN the Penal Code, Edition 1853, kidnapping by means of drugs or nefarious arts is shown to be punishable as follows:—

It is laid down in the second by-law appended to the statute against the "obtaining possession of persons by unlawful means, or the sale of persons so obtained possession of," as amended in the year 1801 and again in 1806, that whosoever shall entice away a woman, or a boy or a girl, either for sale, for purposes of marriage, concubinage, or adoption, whether the same be bond or free, whether the sale of the same shall have been completed or not, shall, if the person stolen were no party to the act, be punished:

* See paragraph (7), p. 37.

the principals by being garotted after detention in prison till the Autumn Assize; the accessories with 100 blows of the heavier bamboo, and banished 3,000 li. And if a child, boy or girl, be kidnapped by the use of medicated cakes, to stupefy or by other bewitchments, the principal shall be strangled at once, and the accessories banished to the frontier, there to do military service.

In the case book, Hsing-an-Hui Law, cap. 20, page 45, Edition 1834—

Kidnapping, mutilating, and blinding a female child to be employed for begging purposes.

In the year 1808, the Governor of Canton memorializes that Liu-a-Kuei and his wife, *née* Liang, went about the country in a boat begging, in company with one Li-a-Sau. It so happened that Li-a-Sau met with a venomous snake, and having been told by some one, whose name he did not know, that the poison of snakes could be converted into a stupefying drug, he killed it, burnt it, and, taking the remains on board the boat, arranged with Liu-a-Kuei to set about stupefying and kidnapping children.

The boat arrived at a place in Kai-ping-hsien just as a popular festival was in progress, and it occurred to Liu-a-Kuei to make his wife dress up as a respectable spectator of the feast, to furnish her with the drug, and set her to stupefy and kidnap a female child. In the street [of the village], the woman met with Chîn-a-tui, the daughter of Chîn Hou-tsung, carrying some cash to purchase cakes with. She rubbed some of the drug on the child's head, who at once became bewitched, and followed her to the boat, into which she was forcibly carried by Liu-a-Kuei. Chîn-a-tui screamed, whereupon the woman Liang gagged her with her hand. The boat then got under way, and on reaching an unfrequented spot, Liu-a-Kuei ordered the woman Liang to bind the child, and dose her with a stupefying draught. The woman Liang then held her down with a plank across the shoulders; and while Li-a-Sau held her hands and feet, Liu-a-Kuei cut the sinews of her writs and ankles. Her eyes were then pierced by the woman Liang with a needle. Having thus cobbled and blinded her, they intended to make her support the company by sending her out to beg.

In this case Li-a-Sau died in prison; the woman Liang and Liu-a-Kuei were sentenced to summary decapitation, in accordance with the provisions of the code in cases where robbery has been committed by means of stupifying drugs.

In a case where a child was kidnapped and cut in pieces, and its flesh eaten, punishment was inflicted, as in cases of ripping a child from the womb and cutting it in pieces. In a case where a woman calling herself a curer of tooth-ache procured an abortion of an illegitimate child, the bones of which were stewed and formed a portion of a philtre for producing insensibility to punishment, the chief criminal was strangled in accordance with the enactments against such as practise and teach magical arts how to endure punishment.

Inclosure 34 in No. 20.

Extracts from the "North China Herald" of June 23, 1870.

KIDNAPPING.—People do not usually invent new crimes of which to accuse an enemy. They take up the worst one of which they are cognisant, and lay it at his door. When our forefathers accused a neighbour of bewitching their cows, or of practising upon themselves by the aid of a waxen image, they named a crime universally believed to exist. When the partisans of Margaret procured the condemnation of Duke Humphrey's wife, for practising against the life of the King, they invented no new tale; nor did the apologists of Mary Stuart or of Margaret of Navarre invent a new excuse, when they set down their eccentricities to the malignant arts of unprincipled lovers. So we may take the frequent accusations of kidnapping and mutilation brought in China against missionaries as evidence that the first crime at least is widespread, and that the second is believed in. People who spread a rumour that children's eyes and brains are being boiled down for medicine, and people who grow excited over the accusation, must believe that this is done; just as our forefathers believed that buccaneers were in the habit of burying their valuables in some secluded nook, and killing a captive and interring him with the spoil, in order that his spirit might guard it. The tales of which we have grown familiar of late in China, are fairly on a par with the last named. Buccaneers at home, and kidnappers here, represent the actual fact; the guardian ghost and the philtre composed from children's eyes, represent the superstition. Referring to old volumes of the Chinese Repository, we find precisely the same reports current, in regard to child stealing, as now. Only the literati had not then learned to implicate foreigners in the charge. Thirty-five years ago, we find

a writer complaining that thefts, robberies, and kidnapping were growing more and more frequent in Canton. The way was, "for kidnappers to give notice to the parents that if a certain sum were sent, within a certain time, to a certain place, the girl would be returned. Otherwise she would be sold as a slave." And a very little later, mention is made of the same crime at Peking and Macao. That notable publication, the "Peking Gazette," even, condescended to speak of it as "a gross infraction of the laws, which ought to be carefully investigated and prohibited." In 1833 we find a complaint in the "Canton Circular" that there were "several hundreds of kidnappers in and about the city of Canton, who were constantly carrying off and selling young women and children, and who gained their livelihood by this wicked traffic." And in 1834 a censor complained to the Emperor about a system of kidnapping children and young persons in Peking. The agents of this traffic were women, who, when convicted, got off easily by pleading general laws in favour of their sex; so that, instead of corporal punishment or transportation, they merely incurred a fine. The censor suggested a more appropriate and severe punishment to a few of the thieves as a warning. He recommended that they should be transported, and given as slaves to the common soldiers.

It is evident, therefore, as we said before, that the crime of kidnapping is one common enough in China. And Dr. Porter Smith has shown us that the idea of children's bodies being used in the manufacture of medicine is also familiar to Chinese. In a letter, published twelve months ago in the "North China Herald," on this very subject, he points out that the last of the sixteen great classes into which all medicinal substances are divided, in the Pen Tsan Kang Muh, is devoted to a description of at least thirty-nine kinds of medicines derived from the human body, in its various conditions of sex and age. "The skin, bones, flesh, hair, nails, sweat, blood, tears, and many other secretions too numerous to mention, are all directed to be used in medicine." All that is new is the adaptation of the idea as a charge against foreigners. For this we are indebted to our enlightened, educated, and polished friends, the literati.

Public Notice issued from the Yamên of the Chin-keang Taoutae, June 15, 1870.

Whereas of late, whenever young children have been kidnapped at various places along the river, by means of stupefying drugs, it has always transpired, through the depositions taken from time to time by the local authorities, that the culprits had taken passages in steamers and conveyed the children to Shanghae, where they were sold for the purpose of having their eyes scooped out, and their private parts cut off to be used in the preparation of mysterious drugs; a fact, alas, how lamentable! And, whereas, it is presumed that the captains and Chinese stewards, who traverse the rivers and coasts on board the steamers, are not wanting in benevolence and rectitude, a special appeal is hereby made to them to be careful in noting whether they have any passenger travelling without his family, but having in his charge any young boys or girls; and, if he cannot give a good account of himself, while his appearance is clearly suspicious, to watch him, and lay private information at the Customs House on arrival in port. The Customs officials will thereupon seize the individual, and forward him to the Taoutae for trial and punishment.

The merit of such an action will be great indeed. A respectful notice.

Proclamation issued by Wang, Chih Hsien of Tantu, in the Prefecture of Chin-keang, dated June 6, 1870.

Whereas it has been discovered by me that a number of vicious characters are going about in all directions, kidnapping children and young women, by stupefying them either through the medium of taste, in something they give them to eat, or of vapour conveyed in tobacco they give them to smoke, thereby rendering them more easy subjects for abduction, the result of which is that they are cruelly murdered for the sake of procuring, in the case of males, their eye-balls, livers, and testes, and in that of females, their breasts and privy parts, which are cut out to be made up, it is presumed, into some strange drug.

And as this is a matter for deep commiseration, the Chih Hsien has taken secret and vigilant measures for their apprehension, and it is his duty to issue this pressing notice, calling upon all classes not to allow their wives and children to run the risk of being kidnapped by going out at will; and any one who can procure the conviction of one of these kidnappers shall, without fail, receive a reward of 100 dollars. Let all obey with trembling. A necessary notice.

Inclosure 35 in No. 20.

Précis of preceding Inclosures.

(1.) 19*th June.*—Semi-official note from Ch'ung Hou, Minister Superintendent of Trade at the three northern ports, to the Yamên of Foreign Affairs, alluding to his earlier Report of the 4th June upon the disquiet occasioned by the belief that children were being bewitched and kidnapped, that their eyes and hearts might be made into medicines; and reporting that a kidnapper, by name Wu Lan-chen, arrested on the 18th, had implicated some natives residing in the Roman Catholic establishments, and that the French Consul had been communicated with.

(2.) Deposition of Wu Lan-chen, a kidnapper arrested on the 18th June (inclosed to the Yamên in Ch'ung Hou's note of the 19th June).

(3.) 20*th June* (not received till June 24th.) Private note from Mr. Lay to Mr. Wade.—Hostility to foreigners showing itself. Sisters of Charity have been foolishly buying children. The Prefect has issued an unwise proclamation, notifying execution of kidnappers. Authorities very anti-foreign. Cannot understand M. Fontanier's inaction.

(4.) Translation of a Proclamation of the District Magistrate, referred to in Mr. Lay's note of the 28th, as issued by the Prefect. Two men convicted of using drugs to kidnap children have been, in accordance with the Governor-General's circular, decapitated. Search will be made for others who may be hiding in the city and suburbs of Tien-tsin.

(5.) 21*st June.*—Report from M. Fontanier to M. de Rochechouart, despatched by courier at 10 A.M—The people had for some time past been mobbing and making an uproar round the orphanage of the Sisters of Charity, and children buried by them had been disinterred to see whether their eyes had been taken out. He had had an angry discussion on the 15th with the Magistrate, who threatened him with anger of the people unless he allowed the orphanage to be immediately closed. Ch'ung Hou had been reasonable, and had promised to issue a proclamation. The affair thus seemed nearly at an end.

(6.) 21*st June.*—Despatch from Mr. Lay to Mr. Wade (not sent; received on 27th June):—The Chinese threaten to burn Roman Catholic Cathedral and French Consulate, and kill all foreigners; has written to Chefoo for a gun-boat.

(7.) 21*st June.*—Semi-official note from Ch'ung Hou to the Yamên, reporting action taken on the morning of the 21st by the Prefect and Magistrate upon the deposition of Wu Lan-chên, the kidnapper. He had been brought to the French cathedral, but had failed to identify any of the people he had accused. About 10 A.M. a disturbance commenced. M. Fontanier, the French Consul, rushed into Ch'ung Hou's yamen much excited, fired a pistol, was laid hold of; was begged to remain in the yamên for safety's sake; insisted on returning; fired on the Chih-sien; was killed by the mob, who then set fire to the cathedral.

(8.) 21*st June.* Despatch from Mr. Lay to Mr. Wade (containing the first news received).—The Chinese have burned down the French Consulate, Romish Cathedral, and Hospital of the Sisters of Mercy. The French Consul and other persons have been killed. Ch'ung Hou declares that British subjects are in no danger. Foreign residents have formed a guard for the protection of the Settlement.

(9.) 22*nd June.* Despatch from Mr. Lay to Mr. Wade.—All native Christians are being mobbed. Protestant missionaries have embarked in the "Manchu." Ch'ung Hou has met the Consuls. His offer to place troops in the Settlement was declined. He was asked to plant them between the Settlement and the city. He told his story of M. Fontanier's proceedings (see his note of the 21st), but was reticent as to other details.

The killed stated to be fourteen people. Horrible death of the Sisters of Mercy.

(10.) 22*nd June.* Private note from Mr. Lay to Mr. Wade.—Will not leave the Consulate until forced to do so.

(11.) 24*th June.* Collective note from the Ministers of Prussia, the United States, Belgium, and Spain, and the Chargés d'Affaires of France, Russia, and England, to the Prince of Kung, expressing the horror with which the news from Tien-tsin had inspired them, and demanding that steps should be taken by the Imperial Government for the better security of foreigners throughout the Empire.

(12.) 24*th June.* Despatch from Mr. Wade to Mr. Lay.—Approves of Mr. Lay's resolution to stand his ground, and of his refusal to admit Chinese troops into the Settlement. Informs him that Tsêng Kwo-fan is ordered to Tien-tsin; directs him to keep up communication with Ch'ung Hou.

(13.) 24*th June.* Despatch from Mr. Wade to Mr. Lay.—Heartily approving his efforts to secure Christian burial and the remains of the persons murdered.

(14.) 24*th June*. Despatch from Mr. Lay to Mr. Wade.—Excitement is quieting down. The bodies of the French Consul and others have been recovered.

(15.) 24*th June*. Despatch from Mr. Lay to Mr. Wade.—Had recovered, on the 23rd, the corpses of several persons from the river, amongst others that of the French Consul, which, upon the 22nd, Ch'ung Hou had declared to be in his yamên. The bodies have been placed in coffins on the Consular ground. Terrible details of the death of the Sisters of Mercy.

(16.) 25*th June*. Note from the Prince of Kung announcing that the Grand Secretary, Tsêng Kwo-fan, Governor-General of the Province of Chih-li, had been directed to proceed to Tien-tsin.

Ch'ung Hou had met the Consuls at the foreign Settlement, and had reassured them.

(17.) 25*th June*. Despatch from Mr. Lay to Mr. Wade.—All is quiet. Shops are being reopened. Other bodies have been taken out of the river. It would not be advisable that the French steamer appear at this moment unless backed by a strong force.

(18.) 26*th June*. Despatch from Mr. Lay to Mr. Wade.—Ch'ung Hou has issued a Proclamation stating that Tseng Kwo-fan is ordered to Tien-tsin.

Our people still much alarmed. Ch'ung Hou has sent in six more of the dead. The coffins have been temporarily placed in the foreign cemetery.

Taku is quiet.

(19.) 26*th June*. Despatch from Mr. Wade to Mr. Lay.—Authorizes him to act as French Consul, at M. de Rochechouart's request.

(20.) 27*th June*. Despatch from Mr. Wade to Mr. Lay.—Vessels of the French navy will probably not come above Taku without communicating with Mr. Lay.

(21.) 27*th June*. Mr. Wade to Sir H. Kellett.—Informing him of the outbreak at Tien-tsin and the probable assembling of a French naval force at Taku.

(22.) 28*th June*. Despatch from Mr. Wade to Mr. Lay.—M. de Rochechouart wishes Ch'ung Hou to understand that though justice must be exacted, wholesale vengeance will not be inflicted.

(23.) 28*th June*. Despatch from Mr. Lay to Mr. Wade.—All quiet. Ch'ung Hou very anxious to rebuild the Protestant chapels destroyed in the city. Mr. Lay will act as the French Consul. At his request the authorities have guarded the houses rented by British subjects in Tien-tsin. On the 22nd two Swiss subjects protected by the authorities were brought into the settlement. Asks if it would be well to see Ch'ung Hou again.

(24 and 25.) 28*th June*. Despatch from Mr. Lay to Mr. Wade.—Details the steps taken since the 21st by Mr. Lay. He has much difficulty in getting evidence as to the cause and progress of the outbreak; had himself remonstrated with the Sisters, but ascribes the movement to general hatred against foreigners, whetted by the authorities who could have prevented the riot. Ch'ung Hou, who has no executive functions, has little authority over them, is himself honest, but failed in his duty in not giving notice to the Consuls. Incloses memoranda of information obtained from Chinese by the Rev. J. Lees.

(26.) 29*th June*. Despatch from Mr. Lay to Mr. Wade.—Reports the arrival of Her Majesty's ship "Avon." (The "Opossum's" arrival on the 26th had been reported in a private letter.)

(27.) 29*th June*. The Prince of Kung forwards an Imperial Decree of the 28th, issued apparently to meet the request of the signataries of the collective note of the 24th of June. It refers to the Tien-tsin affair as caused by the charge brought by a kidnapper against a Romanist Chinese. Christian Chinese are as much objects of solicitude to the Government as those not Christian. The people are not to take the law into their own hands, &c.

(28.) 29*th June*. The Prince of Kung writes to Mr. Wade that Ch'ung Hou is directed by Decree to proceed as Imperial Commissioner to France, and that Chêng Lin will act as Minister Superintendent of Trade for the Northern ports.

(29.) 29*th June*. Mr. John Meadows; circular.—He has gone alone round and through the city of Tien-tsin unmolested; finds it quiet everywhere.

(30.) 1*st July*. Despatch from Mr. Wade to Mr. Lay.—Authorizing him to accept indemnity for the British chapel destroyed, but objecting to the commencement of building operations until it is certain they will not be interfered with. Authorizing Mr. Lay to visit Ch'ung Hou unless he thinks it unsafe. Our relations with the authorities should seem unchanged.

(31.) 1*st July*. Despatch from Mr. Lay to Mr. Wade.—Inclosing the Proclamation. Tien-tsin still unsafe. Reports attempt (on the 22nd) to burn the church in the British settlement.

(32.) 27*th June*. Answer to collective note.—Stating steps taken by Ch'ung Hou for

the safety of the foreigners at Tien-tsin, and the sending of instructions to provinces in a like sense.

(33.) Memorandum.—Chinese law on kidnapping by means of drugs or stupefying medicines. Penalty of death. Cases of kidnapping quoted.

(34.) 23*rd June*. Proclamation on kidnapping in Chin-kiang.—Article from "North China Herald" showing how common it is in China.

No. 21.

Mr. Wade to the Earl of Clarendon.—(Received September 10.)

My Lord, *Peking, July* 3, 1870.

I HAVE the honour to inclose copy of a despatch I have addressed to Mr. W. H. Lay, in which, while heartily approving his proceedings as Acting Consul during the late troubles at Tien-tsin, I have expressed very decidedly my dissent from his opinion regarding the primary cause of those troubles.

I have felt bound to speak very plainly on this latter point, but it is not less my duty to recommend to your Lordship's attention the very admirable conduct of Mr. Lay under circumstances of more than ordinary peril and difficulty. For seven days the port was without a gun-boat, and the foreign community in general, horror-stricken at the events of June 21st, and unprotected, were, as was natural, in the most serious alarm lest their settlement should be attacked. All the ladies, except Mrs. Lay and two others, were embarked on board the merchant steamer "Manchu," prepared for flight. Mr. Lay, as his despatches show, was fully alive to the dangers surrounding him, but he opposed every proposition made him to quit his post, and it is in chief part to his firmness that I attribute the security of the foreign residents during a period in which any movement indicative of fear would undoubtedly have compromised their safety. He left nothing undone on behalf either of the living or the dead, and his coolness and humanity have won him the praise of every foreign Representative in Peking.

I have, &c.

(Signed) THOMAS FRANCIS WADE.

Inclosure in No. 21.

Mr. Wade to Acting Consul Lay.

Sir, *Peking, July* 2, 1870.

I RECEIVED this afternoon your despatch of the 28th ultimo. You review summarily the obligations you conceived imposed upon you during the late terrible crisis, and after a brief survey of the events immediately preceding the outbreak, you inform me of your opinion regarding the causes which really occasioned the violence of the people.

Before going further, let me state that the coolness and energy which you displayed during a period of unusual danger and difficulty have been heartily appreciated by me, and that I shall have the most sincere satisfaction in bringing the service you have rendered to the notice of the Secretary of State. With the naval force now anchored off the foreign settlement, the community is perfectly safe; but during the days that it was unprotected, and that its greatest peril would have been in the admission of its insecurity, I am sensible that much was due to the example set by yourself, and in particular to your determination not to abandon your ground until you were forced to leave it.

In the conclusion at which you arrive, viz., that the cause of the outbreak was hatred of the foreigner in general, rather than the belief that children were being stolen for unholy purposes, and that the cry was raised against the Sisters of Mercy for want of some other or better cry, I do not concur. I feel it my duty, on the contrary, to express my conviction that, had there been nothing to suggest a suspicion that children were being kidnapped, there would have been no popular excitement, and that the excitement roused by such a suspicion would not have taken the direction it did had not the practice of receiving large numbers of children into the Sisters' Hospital supplied the Chinese, in their ignorance, with a *primâ facie* case against those unfortunate women. The anger of the people once kindled against them, their countrymen and co-religionists would naturally be included in their sentence. Even native Romanists, I understand, were arrested and maltreated, while Protestant Chinese were set at liberty.

I deem it right to combat your opinion, because I cannot suppose misapprehension of the real cause of such a movement as that of the 21st of June will be unproductive of mischief. I will add that, supposing your view correct, viz., that the rising was against all foreigners, and suggested by the anti-foreign feeling of the influential classes, who have no reason to love us, such an inference but enforces the lesson which, without it, I should have been disposed to read in the action taken by the Chinese at Tien-tsin, namely, that we cannot be too careful, however admirable from our own point of view the object we would advance, not to press it without a watchful regard for the prejudices or received opinions of this people, the educated class of which, in regard to all that we now laugh at as witchcraft or like puerility, are as ignorant and bigoted as we were ourselves little more than a century ago.

I am, &c.
(Signed) THOMAS FRANCIS WADE.

No. 22.

Mr. Wade to the Earl of Clarendon.—(Received September 10.)

My Lord. *Peking, July* 3, 1870.

I REGRET to have to state that M. de Rochechouart has just informed me, officially, that a British subject, Alice O'Sullivan, born at Clonmel on the 1st of December, 1836, was amongst the Sisters of Mercy murdered at Tien-tsin on the 21st of June.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

No. 23.

Consul Medhurst to the Earl of Clarendon.—(Received September 14.)

My Lord, *Shanghae, July* 22, 1870.

I HAVE the honour to inclose copies of my despatches dated respectively the 16th and 21st instant, to the address of Her Majesty's Chargé d'Affaires at Peking on the state of affairs at this port, and the surrounding country.

I have, &c.
(Signed) W. H. MEDHURST.

Inclosure 1 in No. 23.

Consul Medhurst to Mr. Wade.

Sir, *Shanghae, July* 16, 1870.

IN my despatch dated the 13th instant, I had the honour to report that a general uneasiness prevailed in the minds of the natives of this port, brought about no doubt by the disturbing influence of the intelligence received from Tien-tsin. I am happy to state that this feeling has to a great extent subsided during the last twenty-four hours, and that the bearing of the people has lost much of that aggressive character which it certainly showed a few days ago. I attribute the change to the prompt turn out and thoroughly prepared condition which the French exhibited on the occasion of the alarm on the night of the 12th, to the active drilling of the volunteers on our side every day, and to the fact that two vessels of war, the "Barossa" (British) and "Ashurlot" (American), opportunely came into port. These incidents combined have had such a wholesome effect that a serious apprehension is actually gaining ground amongst the natives that, instead of our being the victims to a popular outbreak, the French are likely to take the offensive and destroy the city. The sentiment of animosity which I alluded to as being abroad I look upon as in no way abated.

I have the honour to inclose translations of two Proclamations which have been lately issued. The one by the Taoutae, put forth in compliance with the request conveyed in my letter, copy of which was submitted in my despatch, and the other by the Viceroy and Lieutenant-Governor of Keang-soo. The latter was promulgated originally at the instance of Le Comte de Rochechouart, when he last went up the Yang-tsze River, but Consul-General Méjan, to whom a hundred copies were sent early in the year

for distribution, has never been able until this moment to induce the Taoutae to post them in this town and neighbourhood.

Your, &c.
(Signed) W. H. MEDHURST.

Inclosure 2 in No. 23.

Proclamation.

(Translation.)

TU, the Taoutae of the circuit of Soo-chow, Sung-chiang, and Tait-sang, makes a Proclamation.

Whereas, it is laid down in the XVIIIth Article of the British Treaty that "the Chinese authorities shall at all times afford the fullest protection to the persons and property of British subjects, whenever these shall have been subjected to insult or violence," and in such case shall "at once arrest the guilty parties, whom they will punish according to law;" And

Whereas the XXXVIth Article of the French Treaty provides that "if any French subjects shall sustain any injury, or if they are insulted or outraged by any Chinese subjects, the offenders shall be sought for by the local authorities, who will take all necessary steps for the protection of the French "and having arrested the guilty parties, shall punish them with the utmost force of the law;" Moreover,

Whereas the XIth Article of the American Treaty, states that "all citizens of the United States of America in China, peaceably attending to their affairs" shall have their persons and property fully protected from insult or injury by the local authorities, and that any Chinese guilty of violence towards United States' citizens shall be punished by the Chinese authorities according to the laws of China:

Now, at the port of Shanghae, trade is carried on between Chinese and foreigners, and up to the present they have lived together in amity as one family; whilst the local authorities, in accordance with the Treaties have protected the persons and property [of all foreigners]; but lately some utterly lawless persons, whose names are unknown, have posted up inflammatory placards against foreigners, evidently with the intention of fomenting discord. The Taoutae's hatred is roused against [these offenders], and he has ordered the local authorities, and all officials here, most carefully to search for and to arrest these criminals, and punish them most severely.

The Taoutae now issues this Proclamation, and commands every Chinaman, peaceably, and in accordance with law, to look after his own special business, and not to attend to these placards or be afraid of foreigners. If hereafter any person shall post up inflammatory placards against foreigners, they shall be arrested and punished with the utmost rigour of the law—they will have no chance of escaping from this.

Let all men most respectfully attend to this proclamation.

T'ung Chih. IXth year, 6th moon, and 16th day (July 14th, 1870).

Inclosure 3 in No. 23.

Proclamation by Ma, Viceroy of the Two Keang, and Ting, Governor of Keang-su.

(Translation.) *May* 24, 1870.

IT is stated in the XIIIth Article of the French Treaty that "the Christian religion having for its object the exhortation of men to do good, its converts shall all enjoy the fullest protection to their persons and property, and shall be free to meet together for the performance of the worship and chants of their religion. The Local Authorities must treat the Missionaries with respect, and afford them protection. No interference shall be offered to such as wish to embrace the religion and practise its rites. All former notices whatsoever, prohibiting the doctrine of Christianity, no matter where they were promulgated, must be annulled and removed."

The VIth Article of the supplementary Treaty also states, that "French Missionaries can follow their own will in buying land or building houses in any province."

Now these converts, for all they embrace a new doctrine and yet Chinese subjects, and their teachers inculcate respect and obedience to the Sovereign and a careful observance of the laws and statutes of China. Of course, then, they must be treated with the same kindness (as you show to Chinese), and so exemplify the wish to regard all with equal benevolence.

The Tsung-li Yamên obtained an Imperial edict, directing the Viceroys and Governors to compel the Local Authorities to deal promptly and equitably with all matters affecting the converts; and not to allow them either to attach such importance as suited themselves to the cases, or intentionally to delay their settlement, and thereby oppress the converts. All this is on record; and the above orders must of course be followed out. Yet of late, in several places, people have opposed their procuring land or erecting churches, and have created disturbances, relying on their numbers.

Although the Local Authorities received strict orders from the Viceroys and Governors to apprehend and punish the rioters, yet they have been unable in some cases to put a speedy end to the disturbances.

The French Minister, M. Rochechouart, treated the matter in accordance with the Treaty.

Hereafter, the people and the Missionaries, wherever they happen to be collocated, must preserve a lasting friendship and respect for each other. It will not do to stir up any more commotions.

It is right that we should issue a clear proclamation on this point. And this proclamation is hereby issued, for the information of all within our jurisdiction, both soldiers and civilians. You are to know that the Treaty sanctions both the preaching and the embracing of these doctrines, while those who don't care to be converted cannot be compelled to do so. You are not, therefore, to offer perverse opposition.

These Missionaries have come from abroad, with the set purpose of inculcating virtue; and it is all the more necessary therefore to treat them with courtesy.

After the issue of this Proclamation, every one must observe the Treaty; it will not do to make an appearance of complying while you secretly break it. The law will be applied with extra severity if there is any more rioting, and clemency will be impossible. The experiment had better be avoided.

A necessary Proclamation.

Inclosure 4 in No. 23.

Consul Medhurst to Mr. Wade.

Sir, *Shanghae, July* 16, 1870.

I HAVE deemed it expedient to request the Chinese authorities to dispense with the services of the drill instructors at Fung Hwang Shan during the prevalence of the excitement and ill-feeling which exists at present, in consequence of the intelligence received from Tien-tsin, and to recommend Mr. Winstanley and the six British subjects under his command to take up their residence at Shanghae for the time being.

My reason for taking this step will be best explained by the accompanying copy of a communication which I have received from Mr. Winstanley. It is quite clear, from what he says, that any accidental collision here, in repetition of disastrous tidings from Tien-tsin or elsewhere, would be fraught with danger to the entire body of foreigners attached to the force. And as no possible good is to be gained by their detention at Fung Hwang Shan, whilst any violence offered to them there would have a most prejudicial effect upon our relations here, to say nothing of the sacrifice of their valuable lives, I have thought it the wisest and simplest plan to remove them out of the way of danger.

I inclose a translation of my letter to the Taoutae on the subject, in which you will observe that I rest my application on the ground of the expediency of having all British subjects within the limits of the Consular district at the present conjuncture.

I trust my proceedings will have your approval under the circumstances.

I have, &c.

(Signed) W. H. MEDHURST.

Inclosure 5 in No. 23.

Mr. Winstanley to Consul Medhurst.

Dear Sir, *Shanghae, July* 16, 1870.

I HAVE, after deliberation, thought it best to inform you that it would be possibly as well, during the excitement which prevails generally, to withdraw, with the Taoutae's consent, the European instructing element at this camp. Being purely an instructing body, we have no influence or power over the men, and I think it extremely doubtful whether, in

the ev nt of news disastrous to the Imperial cause, or of Englishmen being in any manner brought into collision with the Chinese, our lives would not be in jeopardy.

Should anything of this nature occur, or should we have at the last to take to secret flight to Shanghae, the effect on your settlement would be bad. My native staff have shown much apprehension, and I have received friendly hints that a temporary absence would be judicious.

I remain, &c.
(Signed) W. WINSTANLEY.

Inclosure 6 in No. 23.

Consul Medhurst to Mr. Wade.

Sir, *Shanghae, July* 21, 1870.

ADVERTING to my previous despatches dated severally the 17th, 21st, 25th, and 30th ultimo, I have the honour to acquaint you that Mr. Interpreter Gardner reports nothing of moment in respect to the state of affairs at Nanking, Yang-chow, and Chinkiang. As regards the last-mentioned place he has forwarded me a translation (which I beg to submit herewith) of a Proclamation by the District Magistrate which presents another instance of the indiscreet, if not culpable, manner in which the local authorities are so prone to terrify and inflame the already disturbed minds of the people at the presen juncture. I have addressed the Hsien a letter of remonstrance on the subject, suggesting for his adoption the much more suitable proclamation by the Taoutae of this place which formed Inclosure No. 1 in my despatch of the 16th instant, and I have brought the matter to the special notice of the Viceroy with a view to his prohibiting such unwise proceedings on the part of his subordinates for the future.

The last arrival from Chinkiang reports an attempt, happily unsuccessful, to cut off the hulk of the Shanghae Steam Navigation Company, with a quantity of treasure on board and the departure from the port of M. Blancheton, a French member of the Customs Service who had been advised by his Chinese friends to absent himself for a while.

Your, &c.
(Signed) W. H. MEDHURST.

Inclosure 7 in No. 23.

Proclamation by Wang, Chihien of Tuntoo, in Chin-ksan-foo, dated July 14, 1870.

(Translation.)

I, WANG, hereby notify, whereas I heard that certain scoundrels from various quarters were stupifying and kidnapping boys and girls, Proclamations have already been issued promising a reward to the apprehenders of the delinquents as is on record.

I now hear these villains are very secret in their proceedings, and their infamous devices are many. Sometimes they counterfeit travelling lodgers, sometimes wheelbarrow men; they take those they kidnap either on board boats or else get them in some deserted place where they cut off the eyeballs and privy parts of their victims, and in a moment murder them. Surely the people is to be pitied, therefore, besides ordering secret measures to be taken for the arrest of the villains. I further issue this notification addressed to eating-houses and lodging-houses keepers and boatmen, who will hereafter, if they see grounds of suspicion against [any customer], take and hand him over either to the Tung-shih or the Tepaos to be forwarded to the magistrate for punishment; and in case a conviction of kidnapping is obtained the reward shall without fail be issued in accordance with my previous Proclamation, but if they harbour or take to their destination kidnappers, they shall be punished in the same way as kidnappers.

On the other hand, they must not, on vague and silly rumours, arrest innocent people.

Obey in trembling.

A necessary Proclamation.

Inclosure 8 in No. 23.

Extract from the "North China Daily News."

No. 24.

Earl Granville to Mr. Wade.

Sir, *Foreign Office, September* 15, 1870.

I HAVE received your despatches from the 26th of June to the 3rd of July, giving details of the shocking massacre of Europeans at Tien-tsin on the 21st of June.

The accounts of that transaction which had been previously received from the outports, and which are now officially confirmed by your Reports, have been received by Her Majesty's Government with the deepest concern; and though only one British subject connected with the French missionary establishments was a victim, their sorrow and their sympathy apply to all who suffered on the occasion, and who appear in many cases to have been put to death with most revolting cruelty.

Still it has been a relief to Her Majesty's Government to find that, with the exception which I have alluded to, they have not to lament the loss of any British life or property; and they highly appreciate the judgment, firmness, and temper shown by Mr. Acting Consul Lay under circumstances of so trying a character, and to which they do not doubt the safety of the British community is, in a great degree, to be attributed.

Her Majesty's Government would fain hope, and they are encouraged to do so by your telegram of the 16th of August, that there has been no serious disturbance since the date of the original massacre. They can perfectly understand the alarm and anxiety which that calamity excited in the minds of all foreigners located in China, and the excitement which it must have caused amongst the Chinese authorities and people. The presence, however, of Her Majesty's ships of war on the coasts of China will, it is to be hoped, have reassured Her Majesty's subjects and those of foreign Powers, and have served to keep in check any disposition on the part of the Chinese to attempt similar outrages in other quarters.

The question of the responsibility of the Chinese Government and its provincial authorities for what has occurred, as well as that of preventing similar outrages hereafter, are, however, beset with peculiar difficulty at the present moment, in consequence of the present state of things in France, where the attention of the Government administering the country since the dethronement of the Emperor Napoleon is engrossed by the difficulties of a war which has no parallel in modern times, and which convulses the country from one end of it to the other.

True it is that British interests in China must be placed more or less in jeopardy by disturbances, from whatever cause arising; but in dealing with such a question as that now before Her Majesty's Government, it cannot be denied that the grievance to be redressed is not in its origin a British grievance, and that the demand for redress, however justly it may be insisted on, should proceed in the first instance from the nation to whom the wrong has been done.

Her Majesty's Government would exert whatever moral influence it may possess to induce the Chinese Government to satisfy any reasonable demand which France may make; but they cannot conceal from themselves that the calamity has been the result of a system which they have always deprecated as dangerous and impolitic, and which they have long foreseen might lead to events such as they now deplore.

It is for the reasons such as these, it is from knowing that missionary zeal might lead to consequences not only fatal to those devoted persons who apply themselves to spread Christianity in China, but calculated to put in jeopardy the lives and interests of the whole foreign community, that Her Majesty's Government have felt it their duty to discountenance missionary operations which seemed likely to give rise to difficulties with the Chinese Government and people; and Her Majesty's Government trust most sincerely that British missionaries will take warning from what has befallen the Roman Catholic missionaries at Tien-tsin, and conduct their operations with the utmost prudence, and with a steady purpose to abstain from exciting suspicion or animosity among the Chinese, and to insist upon their proselytes not looking upon their conversion to Christianity as releasing them from their general duties as subjects of China.

I have not yet heard what impression has been made on the Government of the United States by these late events, or what course they propose to follow, both for the protection of their general interests and for that of their missionaries, who, I believe, are also engaged in proselytizing in China.

But, as matters stand, it is quite clear that the only policy which can be pursued is one of an expectant character; though that should not preclude every attempt that can be made without compromising future liberty of action, to impress upon the Chinese Government the necessity of anticipating demands that may possibly be made upon them for redress, and for security against the recurrence of outbreaks against the foreign community which may involve China most seriously with other Powers.

The Chinese Government, indeed, seem to be alive to the necessity of acting in this manner; and the despatch of a special Envoy with a deprecatory mission to France may be taken as an indication of apprehension. It will be your duty to keep alive and take advantage of such apprehension, and not to allow them to suppose that the present embarrassments under which France labours hold out to China a prospect of impunity for what has passed, or of security against the consequences of any repetition of offence towards foreigners.

The Chinese Government has the power to restrain its provincial authorities and to make them feel that they are responsible for the safety of all foreigners residing in the country and engaged in their lawful pursuits; and you will press this point on the Chinese Ministers as necessary to be borne in mind if they desire to avoid embarrassing questions with foreign Powers.

I am, &c.
(Signed) GRANVILLE.

No. 25.

Mr. Matheson to Earl Granville.—(Received September 16.)

My Lord, 3, *Lombard Street, September* 15, 1870.

AS requested by your Lordship, at the interview which you kindly granted us yesterday, I have the honour to state in writing the substance of the representations we made in the name of an influential meeting which had just been held in the city, of persons interested in China and its trade.

We informed your Lordship of the melancholy particulars which had reached us, relating to the massacre of foreigners at Tien-tsin perpetrated by the Chinese on the 21st June last.

From the information which has reached us from British merchants resident at the port of Tient-sin, with the most ample opportunities of verifying the statements they make, we are firmly convinced that the attack upon the French Consulate, cathedral, and mission premises, was only part of a preconcerted plan having larger objects, and originating in a strong anti-foreign feeling, prompted by mandarins high in office and power.

The circumstances of atrocious barbarity which attended the murder of the Sisters of Charity, and which we communicated to your Lordship, have never been surpassed in the records of this sort of crime. It is worthy of particular notice that the establishment to which they belonged, and in connection with which they carried on their beneficent labours, has been in existence for 300 years; and it is believed that in all that time no charge of any kind has ever been made against the Sisters, whose methods of working were perfectly well known. It is emphatically denied that they even committed the indiscretion of giving money to those who brought cast-away female children to their doors; and the accusation made against them on this score is declared to be the purest invention, got up in order to inflame the popular mind; and it has been repeated, in order to palliate the dreadful crime we all deplore. Two of the Sisters were Italians, and one of them was a British subject. Sister Louise was an Irish lady, and I believe her brother is a respected parish priest in Ireland.

On the trustworthy information of Chinese, some of whom had learned the fact at considerable distances from Tien-tsin, it has been stated that it was deliberately intended to make an attack two days later upon the British settlement, situated about two miles from the city. And in several other Treaty ports the most inflammatory placards have been issued, directed against foreigners generally.

In presence of such grave events, and in the knowledge that a spirit of hostility to foreigners, is being industriously propagated, the greatest apprehension and alarm is felt by British subjects; and the object of the Deputation was respectfully to represent the facts, and to inquire whether your Lordship has taken, or means to take, any steps for the more effectual protection of the lives and property of British subjects in China, prosecuting their lawful callings under the Treaty between Great Britain and that Empire.

We cannot conceal from your Lordship that the anxiety of our friends, in which we share, has been largely increased by a regard to the policy which in recent years Her Majesty's Government has adopted in its dealing with the Government of China,—a yielding or complacent policy, as opposed to a policy of firmness which should exact the due fulfilment of Treaty obligations, and be prepared to demand reparation for injustice and injury. The instance of the able settlement effected two years ago in the Island of

Formosa, by the prompt action of the late Mr. Consul Gibson, cannot be forgotten by us. That officer was severely blamed and degraded, instead of being thanked and rewarded for his services.

Desirous as we are, and have ever been, that all grounds and causes for a rupture with China may be avoided, as being most detrimental to every interest concerned, we would earnestly press upon your Lordship's attention the desirableness of a firm policy rather than one of yielding and concession, of which the Chinese invariably take an unworthy advantage, and which, as they uniformly attribute it to weakness on our part, is calculated in our opinion to lead to aggressions which Her Majesty's Government would be unable to overlook. And it is with no small concern we have heard, on what appears to be undoubted authority, and which is confirmed in a remarkable letter from the "Times" correspondent at Shanghae, published in to-day's issue of that journal, that the naval officers on the China stations are forbidden by instructions from the Admiralty to land their men under any circumstances, even to protect life when it is threatened, and are to confine the assistance they may afford to British subjects, to simply receiving on board their vessels such as may be compelled to seek an asylum when they are attacked. We most earnestly entreat that Her Majesty's Government will reconsider this determination, and will not lose a day in authorizing the naval and military officers, in the exercise of their discretion or under the orders of Her Majesty's Representative, to afford the most ample protection to British subjects, and to use all measures that may be required to prevent the commission of outrages which may at any time be threatened.

The Deputation abstained from expressing to your Lordship any views of theirs in regard to the reparation which should be sought from the Chinese Government for the recent terrible outrage. But it is with satisfaction we learned from your Lordship that Her Majesty's Government has instructed their Representative at Peking to support the representations which may be made by the French Minister in reference to the massacre.

Heartily thanking your Lordship for the patient attention with which you listened to us, and commending this whole matter to your earnest consideration, I have, &c.

(Signed) ALEXR. MATHESON,
For self and the other members of the Deputation.

No. 26.

Mr. Otway to Mr. Matheson.

Sir, *Foreign Office, September* 16, 1870.

I AM directed by Earl Granville to acknowledge the receipt of the letter of yesterday's date, on the subject of the recent massacre at Tien-tsin, which was signed by you on behalf of the members of the Deputation who had an interview with his Lordship on the previous day; and I am to acquaint you that it appears, from a despatch dated the 9th of July from Vice-Admiral Sir A. Kellett to the Lords of the Admiralty, that Her Majesty's naval forces in China had been stationed as follows :—

At Hong Kong, the "Princess Charlotte," "Banterer," "Starling," and "Bouncer."
At Amoy, the "Hornet" and "Cockchafer."
At Foo-chow, the "Severn."
At Shanghae, the "Barrosa," "Zebra," "Dove," and "Firm."
At Tien-tsin, the "Dwarf," "Avon," "Opossum," and "Grasshopper."
The Admiral in the "Salamis" was to proceed the same day to Che-foo.

Commodore Price has since reported, in a despatch dated July 21st, that the "Banterer" had been sent to Foo-chow.

There are also in the Japanese waters Her Majesty's ships "Ocean," "Rinaldo," "Sylvia," "Elk," "Midge," and the "Adventure," troop-ship.

I am further to acquaint you that on the 30th ultimo Mr. Wade was instructed to co-operate with the French Legation, in order to obtain the punishment of the parties who were concerned in the late outrage, and Her Majesty's Government trust that the communications about to be made to the authorities in China will have the effect not only of procuring the punishment of the offenders, but also of deterring the Chinese from similar outrages, and from acts calculated to excite grave apprehension on the part of British subjects in and connected with China.

I am to remark further that the standing instructions to Her Majesty's Consuls and naval officers in China as to the employment of Her Majesty's ships of war, are in cases of great emergency to protect the lives and properties of British subjects if placed in peril by

wanton attacks directed against them either on the part of the local authorities or by an uncontrolled popular movement.

I am, &c.
(Signed) ARTHUR OTWAY.

No. 27.

Earl Granville to Mr. Wade.

Sir, *Foreign Office, September* 16, 1870.

I INCLOSE herewith, for your information, copies of a correspondence I have had with Mr. Matheson, respecting the recent massacre at Tien-tsin.*

I am, &c.
(Signed) GRANVILLE.

No. 28.

Consul Medhurst to the Earl of Clarendon.—(Received September 19.)

My Lord, *Shanghae, July* 27, 1870.

I HAVE the honour to forward, for your Lordship's information, copy of my despatch dated the 26th instant, and inclosures, to the address of Her Majesty's Chargé d'Affaires, submitting copies of a correspondence with the Municipal Council of this port, in regard to the nature of the assistance to be expected from Her Majesty's ships.

I have, &c.
(Signed) W. H. MEDHURST.

Inclosure 1 in No. 28.

Consul Medhurst to Mr. Wade.

Sir, *Shanghae, July* 26, 1870.

I HAVE the honour to inclose, for your information, copies of a correspondence which has passed between the Chairman of the Municipal Council and myself in respect to the nature of the assistance which may be looked for from Her Majesty's vessels-of-war, by the community in the event of their lives and property being imperilled through an attack on the settlement by the Chinese.

It is, I think, a point worthy of consideration, whether the exceptional circumstances in which Shanghae is placed as compared to other ports in China do not call for some modification or relaxation of the existing instructions to Consuls and Naval Officers, which shall render these more applicable to the necessities of the port. As the instructions now stand, if construed strictly, they are simply ineffective for the purpose for which they were intended. With a community numbering some 1,750 souls, not including servants and children, of whom the large majority are British subjects, and a property valued at fully 15,000,000*l.* sterling, it is as little likely that they would desert their dwellings, warehouses, offices, and merchandize on the approach of danger, as that they would find standing room on board Her Majesty's ships if they were to embark. The settlement, moreover, is so extensive, the British portion alone covering an area of over one square mile, that if it were once allowed to be entered upon or occupied by a mob or band of soldiers, the utmost efforts of Her Majesty's ships to save property without landing their men would be ineffectual, whilst a vast number of lives would be sacrificed in the tumult and confusion. On the other hand a well-timed precautionary movement, such as the detaching of a few men to a weak or menaced point would as certainly save both property and lives from destruction.

There is another consideration which must not be lost sight of in connection with this subject. The Community have lately reorganized their volunteer corps, and this has now been formally constituted into a civic guard, numbering from 400 to 500 men under the authority of the Municipal Council, which provides arms and ammunition with the consent of the rate payers and issues commissions to the officers, the Chairman of the Council being

* Nos. 25 and 26.

ex-officio commandant. This body, although composed of men of all nationalities has shown itself only too willing, even since its more formal organization, to act under and with Her Majesty's Naval Forces. But its members cannot be expected always to maintain this complaisant attitude, more especially when they find that the assistance which they may look for from Her Majesty's ships is rather theoretical than real, and should their interests be severed from ours, and their Commandant determine either upon his own convictions or upon the pressure of public opinion to act upon the offensive in the assumed defence of the settlement, it is quite within the compass of possibility that some overt act may be committed which will compromise Her Majesty's Government to a serious extent, and I do not at all see what can be done to prevent or put a stop to a movement of the kind.

Your, &c.
(Signed) W. H. MEDHURST.

Inclosure 2 in No. 28.

Mr. Dixwell to Consul Medhurst.

Sir, *Council Room, Shanghae, July* 22, 1870.

THE Council learn that officers in command of Her Majesty's ships of war at this port have received instructions which will prevent their landing men or guns for the defence of any foreign settlement in China, and that they are only empowered to protect the shipping and cover the retreat of residents.

On behalf of the Council I beg to inquire whether such is the case, in order that the community may clearly understand what amount of assistance they are to expect from Her Majesty's vessels of war in event of an attack being made upon the settlement.

Although I now address you in the interests of all nationalities residing within this settlement, I need scarcely remind you that the British residents very largely proponderate, and the value of British property at stake amounts to at least 15,000,000*l.* sterling.

I may also state, for your information, that the members of this community are not prepared to desert their property and seek refuge on board ships in the river, and that their determination is to attempt to defend the settlement from any attack to the best of their power. It is possible that they may not succeed if left unsupported by the naval forces of the country which ought to be most interested in protecting the lives and property of its subjects, unless assistance is tendered by ships of war belonging to other nationalities; but they are nevertheless determined to make the attempt; and I shall feel greatly obliged by an early reply in order that the Council may arrange as far as possible for all contingencies.

I have, &c.
(Signed) GEO. BAZIL DIXWELL,
Chairman of Municipal Council.

Inclosure 3 in No. 28.

Consul Medhurst to Mr. Dixwell.

Sir, *Shanghae, July* 23, 1870.

I HAVE had the honour to receive your letter dated yesterday, in which you inquire what is the nature of the assistance which the community may expect to receive from Her Majesty's ships in port in the event of an attack being made upon the settlement by the Chinese.

Immediately upon receipt of your communication I referred it to Captain Moore, R.N., Her Majesty's Senior Naval Officer, and he has kindly placed in my hands, by way of reply to your query, the written instructions from Her Majesty's Naval Commander-in-chief, under which he is acting.

I find from a portion of these instructions that one of the special purposes for which Her Majesty's ships of war are stationed in Chinese ports, is to afford protection in cases of great emergency to the lives and properties of British subjects when imperilled by wanton attacks, either on the part of the local authorities, or of uncontrolled masses of people. But this general definition is qualified by the warning that the interference of a naval force in any contingency is alone likely to receive the subsequent approval of Her Majesty's Government when it can be clearly shown that without such interference the lives and property of British subjects would in all probability have been sacrificed, and

even in such a case Her Majesty's Government will expect to have it established to their satisfaction that the alternative of rescuing the British subjects by receiving them on board was not available.

In another part of the instructions it is ordered that protection to the lives and properties of British subjects is, as a general rule, to be limited to affording them an asylum on board ship, and to securing them by boat an escape from the shore when their departure may be a measure of necessary precaution, and the interposition by force is only to be had recourse to when they are actually in danger from violence which cannot otherwise be controlled. An armed force shall not be landed for the protection of Her Majesty's subjects, unless there is reason to apprehend that without such assistance the lives and properties of British subjects may be sacrificed. From the general tenor of these instructions, it is open to you to conclude that the assistance of Her Majesty's naval forces will not be afforded save in those cases where danger to life is imminent, or when property is likely to be sacrificed by a wanton attack either on the part of the authorities, or on that of an unruly mob. But it would seem doubtful whether Her Majesty's forces would be justified under their instructions in taking active measures to prevent any such attack by landing men or guns, or by taking up such positions of defence in the settlement or without it, by way of precaution, as would deter or discourage an attacking party. Neither do I conceive that any assistance can be rendered by way of patrol, reconnoitre, or otherwise. Precautionary measures, in fact, do not seem to be contemplated by the instructions as now constituted, but merely the affording of such assistance as may be necessary in the event of an actual attack to the preservation of life, or to the protection of property from destruction.

At the same time I feel confident that Captain Moore and the officers of Her Majesty's Navy generally will always be prepared to use every effort in so construing the instructions as to render these as far as possible subservient to the interests of the community in the exceptional circumstances in which they are placed.

I propose to submit a copy of your letter and of this reply to Her Majesty's Chargé d'Affaires at Peking, for the information of Her Majesty's Secretary of State for Foreign Affaires.

I have, &c.
(Signed) W. H. MEDHURST.

No. 29.

The Secretary to the Admiralty to Mr. Hammond.—(Received September 19.)

Sir, *Admiralty, September* 19, 1870.

I AM commanded by my Lords Commissioners of the Admiralty to transmit herewith, for the information of Earl Granville, an extract from a despatch, with its inclosures from Vice-Admiral Sir Henry Kellett, dated the 21st July, reporting his arrival at Che-foo, that he had communicated with Mr. Wade, and also with Rear-Admiral Dupré, of the French navy.

2. The Vice-Admiral further states his views with reference to the recent massacre at Tien-tsin.

I am, &c.
(Signed) THOS. WOLLEY.

Inclosure 1 in No. 29.

Vice-Admiral Sir H. Kellett to the Secretary to the Admiralty.

(Extract.) *"Salamis," at Che-foo, July* 21, 1870.

IN continuation of my letter of the 9th instant from Yokohama, I have the honour to inform you that I arrived at Che-foo on the 16th instant, having called at Nagasaki on my way to obtain letters from Her Majesty's Chargé d'Affaires at Peking, which, as I anticipated, arrived there by the Pacific mail on the 14th instant.

The letter, copy of which I inclose, gave me very little information, and, indeed, treated the matter so lightly, that the necessity of my own presence on the Coast of China seemed scarcely to have entered into the consideration of Mr. Wade.

As, however, my news from other sources was by no means so reassuring, and the indignation and excitement of Europeans were daily increasing, and as the French Rear-

Admiral had gone to Che-foo, I lost no time in proceeding there also, arriving within a few minutes of his anchoring on the 16th.

I at once reported my arrival to Mr. Wade, at Peking, and desired him to inform me what aspect the affairs at Tien-tsin had assumed; how I could best forward his views and insure his own safety, if, as was rumoured, it was in any way endangered. To this despatch I have not yet received a reply; but yesterday Rear-Admiral Dupré, between whom and myself the most friendly intercourse exists, showed me a letter from Count Rochechouart, the French Chargé d'Affaires, who had arrived at Tien-tsin from Peking the day before, in which he anticipates "une solution convenable" of the difficulty, but he does not in any way explain the nature of the reparation he has obtained. The Commander of a steamer which arrived this morning from Tien-tsin states, however, that two Mandarins are to be decapitated for default of duty, and that everything is now perfectly quiet there, business proceeding as usual.

No doubt the most extravagant rumours are scattered broadcast by those whose object it is to boast the fulfilment of their gloomy prophecies of the failure of the more advanced policy recently adopted towards China, and I make due allowance also for the apprehensions of nervous people and the anxieties of those who have enormous commercial interests in the country; but I feel it my duty to state that, although the aspect of affairs has greatly improved since I last wrote, the condition of China at this moment is very critical, and requires a temperate but firm attitude of the Great Powers.

I regret very much that I have no communication from Mr. Wade before sending this despatch; but I am now starting for Tien-tsin in the "Salamis," and I will not fail to acquaint their Lordships from that place with all that I can learn as to the intentions of the Peking Government, both as to what has happened and for the avoidance of such atrocities in future: and their Lordships may be assured that I will adopt every measure in my power to promote the safety of the lives and property of Her Majesty's subjects, and to re-establish a feeling of security and comfort in their minds.

The "Midge" gun-vessel remainsat Che-foo during my absence, and the "Leven" gun-vessel has been sent to Ningpo, so that there is now one (or more) ship-of-war in every Treaty port in China.

Inclosure 2 in No. 29.

Mr. Wade to Vice-Admiral Sir H. Kellett.

Sir, *Peking, June* 27, 1870.

YOUR Excellency will have received ere this can reach you intelligence of the late catastrophe at Tien-tsin. The suspicions of the people appear to have been excited by rumours that the infants carried into the Hospital of the Sisters of Mercy were required for some unholy purpose,—an old story. Their violence was consequently directed specially against the French. The British concession has been unmolested, and I doubt not that, by this time, order is restored.

I should be glad, however, to learn that your Excellency would, for the present, allow a gun-boat to remain anchored off the Settlement; and as it is next to certain that all the French naval force that can be assembled will be dispatched to Taku without delay, I submit to your Excellency that it may be desirable to have our flag represented by one of the larger vessels of the squadron under your command.

I have, &c.

(Signed) THOMAS FRANCIS WADE.

No. 30.

Mr. Wade to the Earl of Clarendon.—(Received September 23.)

My Lord, *Peking, July* 16, 1870.

IN continuation of my despatches on the Tien-tsin massacre, I have the honour to state that, on the 2nd instant, I was apprized by Mr. Lay of the arrival in port of Her Majesty's ship "Dwarf."

She was detached from Shanghae at the instance of Mr. Medhurst, for whose solicitude in providing for their safety his countrymen in the north of China cannot be too grateful. His colleagues and, indeed, all foreigners resident in Shanghae heartily co-operated with him. Our thanks are especially due to the American section of the community for the readiness with which their steamers were placed at our disposal.

Mr. Medhurst tells me that he has forwarded copies of his despatches direct to the Foreign Office. I have only, therefore, to inclose copy of my reply to his despatch of the 27th ultimo.

The "Avon" and "Opossum" were already at Tien-tsin, and, although the latter was very weak, the settlement might have been considered safe; Shanghae, on the other hand, had been left unprotected, and Commander Walker was naturally anxious to take back the "Dwarf" without delay. I inclose his despatch and my reply, requesting him to wait until he should have conferred with Mr. Fraser, whom I was about to send down to Tien-tsin. The "Dwarf" will remain there for the present.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure 1 in No. 30.

Acting Consul Lay to Mr. Wade.

Sir, *Tien-tsin, July* 2, 1870.

I HAVE the honour to report the arrival of Her Majesty's ship "Dwarf" last evening, a sister ship of Her Majesty's ship "Avon," whose arrival I reported a few days ago.

I have, &c.
(Signed) W. H. LAY.

Inclosure 2 in No. 30.

Mr. Wade to Consul Medhurst.

Sir, *Peking, July* 5, 1870.

I RECEIVED yesterday evening your despatch of the 27th June.

I cannot too warmly approve the steps taken by you on receiving the news of the Tien-tsin massacre.

The "Avon" and "Opossum" had already come over from Che-foo before the "Dwarf," arrived, and the presence of the former so completely secures the Tien-tsin settlement against danger that the "Dwarf" will be enabled almost immediately to return to Shanghae.

I have to thank you also for your solicitude on behalf of foreign residents in Peking. It may be reassuring to your community to learn that there has not been here the smallest occasion for alarm. The terrible news from Tien-tsin continue naturally to be talked over, but the outbreak is universally connected with the popular belief that children were received into the Orphanage of the Sisters of Mercy for unholy purposes. There has not been in or about this city the slightest display of hostile feeling towards either persons belonging to the religious establishments or any other foreigners.

I am, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure 3 in No. 30.

Commander Walker to Mr. Wade.

Sir, *"Dwarf," Tien-tsin, July* 2, 1870.

I HAVE the honour to inform you of my arrival here from Shanghae, which port I left on the 27th ultimo, on receipt of intelligence of outrages committed here.

2. At the time of my departure there was no other British man-of-war in port, but the French Consul-General engaged to detain two gun-boats for the protection of the settlements.

3. The French gun-boat "Flamme," of four guns and eighty men, was to leave the next morning, but, being a very slow vessel, I do not expect her before to-morrow. On her arrival there will be three vessels of war here without the "Dwarf," and, as both Nanking and Yang-chow are in an unsettled state from the circulation of reports by Chinese of children being kidnapped and taken to Shanghae, there to be murdered for the sake of their eyes, &c., I have to request that you will give me your opinion as to whether on the arrival of the "Flamme," the "Dwarf" had not better return to Shanghae.

4. Before leaving Shanghae I wrote to Admiral Kellett, and from this circumstance I should think it likely that he will be here in about ten days. I also wrote to Commander Denison of the "Zebra" at Nagasaki, representing to him the state of affairs, and I have no doubt that he will proceed to Shanghae.

5. As Senior Officer of the Northern Division of China, I have the responsibility of doing my best to take care of all the Treaty ports, and I feel rather anxious about Hankow, where there is only the "Firm," and also about Ningpo, where there is no vessel of war, and where there are about forty Missionaries and Sisters of Mercy. Neither, however, of these ports are yet affected. At Chin-kiang the "Dove" is stationed, and must remain, as Nanking and Yang-chow are both in an unsettled state.

With respect to the question of my remaining here or returning to Shanghae, I shall consider it my duty to comply with whichever you may consider best.

I have, &c.
(Signed) CHARLES F. WALKER.

Inclosure 4 in No. 30.

Mr. Wade to Commander Walker.

Sir, *Peking, July* 5, 1870.

I BEG to thank you for your despatch of the 2nd instant, which reached me last evening. The arrival of the "Dwarf" from Shanghae within ten days of the fearful events which called for her appearance, cannot fail to have greatly reassured the foreign community, and to have impressed the population of Tien-tsin.

I have little doubt that, even without a reinforcement, the "Avon" and "Opossum" will suffice to secure the British settlement against the one danger to which, until the arrival of a gun-boat, it was exposed—I mean the attacks of lawless persons intent upon pillage. Still I shall be obliged to you not to leave the port until you have conferred with Mr. Fraser, the Senior Secretary of this Legation, who will be at Tien-tsin on the morning of the 7th instant.

I am, &c.
(Signed) THOMAS FRANCIS WADE.

No. 31.

Mr. Wade to the Earl of Clarendon.—(Received September 23.)

My Lord, *Peking, July* 16, 1870.

I HAVE the honour to inclose copy of a despatch from Mr. Lay, requesting me to bring to the notice of Her Majesty's Government the manly conduct and praiseworthy exertions of Messrs. Steele and Beebe, American citizens; Mr. Russell, master of the British steamer "Appin; and Mr. Featherstone, Constable of the British Consulate at Tien-tsin, during the period of trial between the massacre of the 21st ultimo and the arrival of Her Majesty's ship "Avon."

I beg to forward copy of my reply to Mr. Lay, and of a letter I have addressed to Mr. Low, the Minister of the United States, inclosing an extract of Mr. Lay's despatch.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure 1 in No. 31.

Acting Consul Lay to Mr. Wade.

Sir, *Tien-tsin, July* 8, 1870.

NOW that the great pressure of work is taken off for a time, I think it my duty to bring before your notice the services of those gentlemen who so nobly helped us during our late dangers.

Captain Steele, of the "Manchu," armed his vessel, received the ladies (with those exceptions already mentioned) on board, and was most kind to them. He set a most splendid example by his firmness and courage, and he did much to allay the almost natural fright of many here. He deserves deep gratitude from us British, and I feel you, Sir, would like me to report to you his most heroic conduct.

We are also deeply indebted to Mr. Beebe, the Agent of the Shanghae Steam Naviga-

tion Company, who gave every assistance, so far as he could. He proved himself a man, and a kind friend in danger.

What I have said of Captain Steele is equally applicable to Captain Russell, of the "Appin." He armed his ship, made every arrangement for comfort as well as defence, received a large number of females and others on board, and cared for them.

Such conduct, under very trying circumstances, demands thanks; and to you, Sir, I report it. At the same time I shall address each of these gentlemen a letter, acknowledging their kindnesses, and informing them that it is a pleasing duty to me to bring their heroic conduct under the notice of Her Majesty's Chargé d'Affaires.

While writing this, I would not forget the services of my constable, Mr. Featherston, who has been most useful during these trials. He has been up day and night, watching and on duty. With his own hands, as I could get no Chinese to work, he brought the poor bodies to shore, and with his own hands he put the French Consul in his coffin, doing a similar office for other bodies. When, after examination, and when I felt sick and faint at the sights and the dreadful stench, and when no one could stay longer by, this man remained, and, one by one, he, with some coolies hired at fabulous prices, went with them to the cemetery and placed them underground, marking each one as it went, a most painful job. He did a most unpleasant duty well, and I should not like his services forgotten, although he be but Consular constable.

I have, &c.
(Signed) W. H. LAY.

Inclosure 2 in No. 31.

Mr. Wade to Acting Consul Lay.

Sir, *Peking, July* 13, 1870.

I BEG to acknowledge your despatch of the 8th instant, expressing your strong sense of the services rendered during the late crisis by Captain Steele, of the "Manchu;" Mr. Beebe; Captain Russell, of the "Appin;" and Mr. Featherstone, Constable of the Consulate.

The first two gentlemen are, I think, American citizens; and I shall have much pleasure in communicating what you have said regarding them to the Minister of the United States. I shall forward copy of your despatch to the Foreign Office, and I cannot doubt that Her Majesty's Government will appreciate the value of the exertions of all whom you mention.

For myself, I cannot too warmly thank those who stood by you, when so much depended on their coolness and courage.

I am, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure 3 in No. 31.

Mr. Wade to Mr. Low.

Sir, *Peking, July* 13, 1870.

I HAVE the pleasure to inclose an extract from a despatch from Mr. W. H. Lay, acting as Her Majesty's Consul at Tien-tsin, in which he does honour to your countrymen, Captain Steele, of the "Manchu," and Mr. Beebe, the representative of the firm of Russell and Co.

These gentlemen were working in the common interest, but I feel that, considering how large a proportion of the foreigners resident was British, a special debt of gratitude is due to them by the British community, and I have informed Mr. Lay that I shall have much satisfaction in bringing their services to the knowledge of Her Majesty's Government.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

No. 32.

Mr. Wade to the Earl of Clarendon.—(*Received September* 23.)

My Lord, *Peking, July* 16, 1870.

IN continuation of my despatch of this date, I inclose copy of my instructions to Mr. Fraser, as also of my despatch informing Mr. Lay of the object of his visit to Tien-tsin. I felt it due to Mr. Lay to explain that Mr. Adkins was in no way sent to supersede him, but (in consequence of some private correspondence between Mr. Lay and myself) as a volunteer reinforcement of his staff, which I knew to be weak. With the promptitude which never fails him where there is work to be done, Mr. Adkins had declared himself willing to do any service, whether as interpreter or otherwise, that Mr. Lay might call on him to perform. I had already authorized Mr. Lay to bring up Mr. Assistant Frater, acting as Vice-Consul at Taku, to Tien-tsin, and to replace him at Taku by Mr. Bristow, who has acted at Tien-tsin as interpreter. Mr. Frater is of longer standing, and consequently a more efficient subordinate, at a moment like this, than his junior, to whom, however, I am bound to say, Mr. Mongan and Mr. Lay have both given high praise.

I inclose a despatch, which, by the same opportunity, I forwarded to Mr. Lay, upon the expediency of withdrawing, as soon as it could be safely withdrawn, his notification prohibiting British subjects from entering the city of Tien-tsin.

As your Lordship will see, I was unwilling to disapprove any step taken by Mr. Lay in the cause of public safety. I had the fullest confidence in his courage; but my experience of one or two similar situations had convinced me that, after a crisis such as that we have just witnessed, the best guarantee against our own fears which, as a rule, are our chief danger, is the resumption of business relations with the people of the locality. Mr. Fraser and Mr. Adkins, however, though they went through the city, agreed with Mr. Lay that the withdrawal of the interdict would be premature, and I am quite content to leave the matter in Mr. Lay's hands for the present. Business, it appears, has not been greatly interrupted. Indeed, the native dealers, apprehending possibly some trouble from their own marauders, appear to have been more anxious than usual to convert their ready money into stocks that a robber might not find so portable. Manufactured goods have gone off accordingly. But the business of the Chinese can of course be done by themselves within the foreign settlement.

Mr. Adkins returned to Peking on the 13th instant. I inclose copy of a Memorandum prepared by him, also a despatch which I received last night from Mr. Fraser.

Their journey, it will be seen, was made with as great ease as if nothing extraordinary had disturbed the public mind. In Tien-tsin, however, Mr. Adkins, who passed some months there in 1860-61, found the people unusually sullen, and this up to the day of his departure. On their arrival both gentlemen noticed unwonted activity in the blacksmith's shops. Swords were being sharpened in various places.

The inclosed Proclamation, issued by the Governor-General, Tsêng-kuo-fan, who (having reported himself sick when he received the Imperial Decree of the 24th ultimo) only reached Tien-tsin upon the 8th instant, was thought to have put a stop to these proceedings. At least, it was to the appearance of this document that native traders attributed the reassurance of the Chinese public. If so, it must have been interpreted as an announcement that, by the doing of justice, he would deprive the French of a *casus belli*.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure 1 in No. 32.

Mr. Wade to Mr. Fraser.

Sir, *Peking, July* 5, 1870.

I THINK it desirable that you should proceed to Tien-tsin to confer with Commander Walker, Her Majesty's ship "Dwarf." He is naturally anxious to return to Shanghae as soon as his ship can be spared.

Mr. Adkins will accompany you, and I am not without hope that your visit will contribute to the reassurance of the community, many of whom, evidently, are still in great alarm.

Danger o residents is now possible, in my belief, but from one of two causes. If any one is so ill-advised as to make a show of the indignation which in view of late events he cannot fail to feel, he may produce a disturbance. If the community in general

continue to show that it is alarmed, it may tempt the ill-disposed to presume upon its fears.

Some four or five foreigners have been through the City of Tien-tsin unmolested, and there can be, in my judgment, no better guarantee of security than the resumption as soon as possible of business relations between native and foreigner.

I am, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure 2 in No. 32.

Mr. Wade to Acting Consul Lay.

Sir, *Peking, July* 5, 1870.

YOUR despatch of the 2nd instant, announcing the arrival of the "Dwarf," reached me last evening.

I have requested Commander Walker to defer his departure until he shall have seen Mr. Fraser, the Senior Secretary of this Legation, who will be at Tien-tsin on the morning of the 7th.

Mr. Adkins will accompany Mr. Fraser, and, if you wish it, will remain with you some days. Although, as he is a Consul, he is your senior in the Service, you are not for a moment to suppose that he is sent to supersede you. When I proposed some days since that he should come to you, it was my knowledge of the state of your health, and of the feebleness of your establishment alone, that suggested the expediency of such a reinforcement. I spoke of it to Mr. Adkins, and he at once declared his readiness to act simply as a volunteer member of your staff for the time being. Should you conceive that you are perfectly able to dispense with his assistance, he will return to Peking with Mr. Fraser.

I am, &c.
(Signed) THOMAS FRANCIS WADE.

P. S.—I send herewith under flying seal for your perusal a despatch I have addressed to Commander Walker, of Her Majesty's ship "Dwarf."

T. F. W.

Inclosure 3 in No. 32.

Mr. Wade to Acting Consul Lay.

Sir, *Peking, July* 5, 1870.

I HAVE re-perused this morning your despatch of the 1st instant. It reached me on the evening of the 3rd, just in time to be copied for England.

I am very unwilling to say anything that may seem to call in question the expediency of measures adopted by you in the interest of the public, but I should be glad that the prohibition to enter the city were not enforced an hour longer than it is really necessary.

British subjects, especially the junior members of the community, should be cautioned against demonstrativeness, but I understand that some four or five persons of different nationalities have strolled through the city unmolested, and it seems to me that foreign residents would do well to resume their business relations with the people as soon as possible.

Preaching, except in the settlement, should be postponed for some time yet, and when resumed, the preachers should be very careful not to allude to late events.

I quite agree with you that the Proclamation you inclosed (which seems to have been issued not by the Prefect, but the Magistrate) was not calculated to allay excitement, but I must, at the same time, observe that there is no allusion in it to foreigners of any nation; and it is neither more nor less than any Chinese official would have been bound to issue, where kidnappers were concerned, had no reference to a foreigner's connection with the crime been possible.

I am, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure 4 in No. 32.

Memorandum of Mr. Adkins' Visit to Tien-tsin, in company with Mr. Fraser.

July 15, 1870.

WE left Tung-chow about 6 P.M. on the 5th instant. The river there was crowded with grain-junks, through which, however, our boats passed without any molestation whatever. I did not hear a single objectionable remark made; and our own boatmen, though natives of Tien-tsin, made no difficulty about accepting us as passengers.

Once, on the morning of the 6th, a Chinese gun-boat hailed us, to inquire whether we were French or not.

On the morning of the 7th, we neared Tien-tsin, and passed by the scene of the events of the 21st of June.

The shell of the cathedral is standing almost entire, though its walls are blackened by the smoke and flame which burst through at the windows. The site only of the French Consulate is recognizable; the same also may be said of the establishment of the Sisters of Mercy. A chapel belonging to the Jesuits, on the left bank of the river, has also been demolished; but as this building was in the midst of a number of Chinese houses, fire was not applied to it.

On our way down the river we met many boat-loads of manufactured goods. I learned that these had been recently bought by native merchants, who, fearing for the worst, were desirous of putting their ready-money out of danger, and into as bulky a form as possible.

We reached the floating-bridge about 6 A.M., on the 7th. In my experience of the Tien-tsin river, I have never known it more crowded. We were surrounded by boats of all descriptions, waiting, like our own, with more or less impatience, for the opening of the bridge. I could not get on shore, but stood on the deck of my boat in full view of the crowd, and conversed with a party of men who were unloading a barge. I heard no objectionable remarks made by any of the bystanders; and we passed through the bridge almost without being noticed.

On the afternoon of the day of our arrival, we walked through the suburbs towards the French cathedral, passing by the establishment of the Sisters of Mercy, now a heap of ruins. A Proclamation, posted on a piece of wall which was left standing, forbade the removal of the window and door-frames—a precaution which seemed entirely superfluous. The shops in the immediate neighbourhood were all open, and the hucksters' stalls as abundant as usual. The three miles of streets traversed by us that afternoon were thronged with people of all classes. I was not altogether reassured by their demeanour. We met with no incivility; but there was a sullen, repugnant air about them, which I have never before seen in this part of China. I came to the conclusion that a trifling act of indiscretion committed by a foreigner in that locality, would most likely get him into serious trouble. I noticed that sword-blades were being forged at several of the blacksmiths' shops.

On the morning of the 9th, his Excellency Ch'ung Hou sent a message to Mr. Fraser, proposing an interview at the Consulate at half-past 9 o'clock. To our surprise and embarrassment his Excellency made his appearance an hour before his time. His visit was entirely one of compliment to Mr. Fraser, and politics were merely alluded to. He professed that he had long been very anxious to visit Europe, and that the Emperor's Decree sending him to France, gave him very great pleasure. [He was, he said, most anxious to see Mr. Wade, and learn from him something about the etiquette observed at the Court of France. He attached much importance to this point, because, he said, at some future day the foreign Ministers at Peking may be admitted to an audience with the Emperor of China.] He said, that if Ch'êng Lin, who has been appointed to act as Minister Superintendent, did not arrive in a very few days, he would not wait for his arrival, but would proceed to Peking, and get his instructions and letter of credence from the Emperor. He was, as usual, courteous and agreeable, but he looked anxious and careworn.

Mr. Fraser arranged to return the call on the 10th, at 3 P.M.; but, on the morning of that day, a message was received by Mr. Lay, to the effect, that the Governor-General would be glad to see Mr. Fraser, and suggesting that Ch'ung Hou should meet us at the Governor-General's residence, at the hour already named, instead of at his own yamên. In accordance with this arrangement, we waited on the Governor-General. We had already seen a copy of the Proclamation issued by him, announcing his arrival, and the object of his mission to Tien-tsin.

He received us with much courtesy. A body-guard of some eighty men was drawn

up on either side of the court, through which we passed, before reaching the entrance of the reception-room. They were armed with Enfield rifles, but were in no other way better appointed than other Chinese soldiers. His Excellency Ch'ung Hou was present.

After an exchange of civilities and some general conversation, Mr. Fraser informed the Governor-General that he was returning to Peking very soon, and would gladly open friendly relations, by being the bearer of any message the Governor-General might choose to send to M. de Rochechouart. To this, the Governor-General replied, by saying, that the outrages recently committed at Tien-tsin were entirely the work of an ignorant populace, and that the official body had in no way connived at or caused them. As for the settlement of the question, he had been honoured with the Emperor's commands on which he intended to act with promptitude, and without respect of persons. He asked what was thought of his Proclamation. As it seemed calculated to allay the apprehension felt by the Tien-tsin people, that foreigners were about to commit an act of war in revenge for the massacre of the 21st of June, Mr. Fraser replied that, as a first step, it was satisfactory. Mr. Fraser also informed the Governor-General, that the gun-boats lying off the foreign settlement, were there to protect foreign property. His Excellency was reminded, that, in so serious a case, his actions would be severely criticized by the French, and that the only way to avoid very serious complication was for him, acting on behalf of China, to take measures so prompt and stringent as to afford no opportunity for interference with his independent action. He declared that this was his intention. When told that the French Minister would certainly visit Tien-tsin, to confer with him personally, he merely expressed a wish that M. de Rochechouart would delay his coming for a few days. On our return through the city, we noticed that the Governor-General's Proclamations which were plentifully posted, were being attentively read; and while walking out in the evening I saw a notice issued by the magistrate, forbidding the beating of gongs, &c., at the coming eclipse of the moon.

On the 11th, the Governor-General sent two deputies, the (expectant) Taoutae, Chên-chung, and Po-a-Mongol, to return Mr. Fraser's call. Nothing of note passed in this interview, Chên Chung wished to have it understood, that the acts of the people on the 21st of June were due to their ignorance, not to their truculence.

I was informed by one of the leading members of the mercantile community, that the result of Tsêng's Proclamation was becoming apparent from the returning confidence of the native traders, and the cessation of the manufacture of arms.

When returning to Peking, I followed my cart on foot through some portion of the city. I remarked, as on a previous occasion, the cold and suspicious demeanour of the people; but I was not molested or annoyed in any way. At the inn at Ho-si-wu, about half way to Peking, I was asked by a Chinese, whether I was a Frenchman, and being anxious to see what would come of it, I answered that I was. Finding that the announcement created no sensation among the by-standers, I inquired why the question had been asked. I was assured that it was a mere idle inquiry. On this I gave my true nationality, my questioner protesting, that it was no matter to him, whether I was French or English.

(Signed) THOMAS ADKINS.

Inclosure 5 in No. 32.

Mr. Fraser to Mr. Wade.

Sir, *Tien-tsin, July* 14, 1870.

I ARRIVED here on the morning of the 7th instant. There seemed to be neither danger nor difficulty in travelling between Tien-tsin and the capital by river.

Her Majesty's gun-vessels "Dwarf" and Avon," and His Imperial Majesty's gun-vessel "La Flamme" were lying off Her Majesty's Consulate. The "Opossum" had been sent to Taku, where she still remains.

The "Dwarf" will remain here until she arrival of the "Salamis" with Sir Henry Kellet, which, by Commander Walker's calculation, should have been on the 12th instant.

Commandant Méquet, of the "Flamme," tells me that he expects the French Admiral to arrive on the 15th, but of this he has no certain knowledge.

I lost no time in inquiring into the condition of the town of Tien-tsin. The general impression was, that it was still unsafe for foreigners. I found, however, that one foreign merchant, M. Kierulf, was still in the habit of visiting his warehouse there and begged him to allow Mr. Adkins and myself to accompany him. We did so, passing on foot through the whole length of the suburb which was the scene of the outbreak, from the foreign settlement to a point opposite the ruins of the French Cathedral.

The walls of the church still remain, but the Consulate, as well as all the buildings belonging to the Sisters of Mercy, close to which we passed, is entirely destroyed. The gates of the inclosures are bricked up, and proclamations posted to forbid any plundering of the ruins.

We returned, as it was very hot, in chairs through the same streets. Two proclamations were to be seen on the walls, one by Ch'ung Hou, threatening summary punishment for any insult or obstruction to foreigners resorting to the city, and another, as I think, by the Chih-foo, which Mr. Adkins pronounced objectionable, to the effect that "the dispute between the populace and the religious establishments should not interfere with the transaction of commercial affairs."

We met with no incivility. The shops were open, and there were no armed men to be seen. But both in this and our subsequent visit to the town we remarked an activity in the preparation of sword-blades, which has, I am told, greatly subsided since the publication of the Governor-General's initiatory proclamation.

I inquired of Mr. Hannen, the Commissioner of Customs, as to the effect of a temporary prohibition to British subjects to resort to the town of Tien-tsin. By his account it does not affect trade in general, whilst the merchants themselves say that they are not embarrassed by it, caring little to go there in person at any time.

On the 8th, the Governor-General Tseng Kwo-fan arrived.

On the 9th, his Excellency Ch'ung Hou called at the Consulate, and it was agreed that I should return his visit on the following day. He subsequently sent me, through one of the officials of his yamên, an invitation to visit at the same time the Governor-General, who was living at a house placed at his disposal by the head man of one of the trading guilds within the city, This I agreed to do, and went thither with Mr. Adkins on the 10th.

We found the Governor-General's guard under arms (he has brought with him, I believe, only 100 men or so from his own province), and were received with all ceremony at the Centre Gate by the two Chinese Ministers.

I said that I should probably soon return to Peking, and I should be glad to carry thither some messages that might reassure the foreign Ministers, and happy to serve as a medium of communication between his Excellency the Governor-General and the French Chargé d'Affaires. Tseng Kwo-fan replied: "This seems to have been the work of an ignorant populace, rather than to have originated with the mandarins. I have received the Emperor's commands to investigate it to the bottom, and I shall commence it without loss of time, and do strict and impartial justice."

I said, we had seen his Excellency's Proclamation. He asked if we thought it satisfactory; and we replied that we did. In reply to a question by Mr. Adkins, the Governor-General said his inquiries would be conducted by two of his officials under his personal supervision.

I then said, at the same time, reminding his Excellency that I spoke upon my own authority only, that it had been thought necessary to bring ships of war to Tien-tsin for the protection of foreign residents; they were there at present for purposes of defence: it was for the Chinese to do justice in the matter themselves.

The Governor-General replied, "That is what we mean to do."

Lastly, I said I hoped that, in treating with the French authorities, the Governor-General would be mindful of the gravities of the injuries of which they had to complain.

On the same evening the two officials entrusted with the management of the investigations came to Her Majesty's Consulate to leave Tseng Kwo-fan's card. They paid me a short visit the next day.

I have heard that the Governor-General's Proclamation has had good results; that the Chinese traders have been reassured by it, whilst the preparation of weapons has abated, if it has not ceased altogether.

Upon a report from the Commander of the "Opossum" to the Senior Officer that defensive preparations were being carried on at Taku, Mr. Lay applied to his Excellency Ch'ung Hou, and was informed, in reply, that nothing more was being done than the usual repairs of earthworks injured by the rain, but that even this would be immediately put an end to.

He has also informed Mr. Lay that the Governor-General has suspended the Taoutae, Chih-fu and Chih-hsien, and appointed other officers to fill their posts.

I have, &c.

(Signed) HUGH FRASER.

Inclosure 6 in No. 32.

Proclamation issued by Tseng Kwo-fan, at Tien-tsin.

(Translation.)

WHEREAS the Governor-General has received repeated instructions from His Majesty to dispose of the affair of the 23rd of last moon (21st June) with impartiality, and to be sure so to devise measures as to prevent any beginning of hostilities, it becomes the duty of all officials and people alike to indemnify themselves with this desire of His Majesty to lay this trouble and to pacify the people.

The Governor-General, therefore, calls upon you inhabitants [of Tien-tsin] each and every one to attend as usual to his proper business. You are forbidden to loiter about the streets and market-places in bodies of tens and hundreds; neither are you to alarm and excite one another by bandying about idle stories; nor must you collect in the neigbourhood of the foreign hongs or shipping, as this will occasion misunderstanding.

With regard to the inquiries that will be needed in the matter of this late disturbance, it will be the duty of the Governor-General to conduct these unsparingly and with strict justice. Assuredly will he not show any, even the slightest, partiality to either side.

Tremble! obey!

A necessary Proclamation.

6th moon, 12th day (July 10th).

No. 33.

Mr. Wade to the Earl of Clarendon.—(Received September 23.)

My Lord, *Peking, July 16, 1870.*

THERE was for a moment reason to fear that some attempt was about to be made upon the foreign settlement at Che-foo.

There are of course, in every port open to foreign trade, a certain number of bad characters ready to avail themselves of any disturbance of the public peace, and the dangerous class at Che-foo has been very likely recruited by Chinese concerned in the late outrage at Tien-tsin.

Late at night on the 3rd instant, Mr. Mayers received information that danger was possible.

Our gun-boats, as already reported, had all gone over to Tien-tsin. No other vessel of war had as yet arrived. Mr. Mayers had therefore no force to depend on.

He at once sent for the Taoutae, assembled the residents, and took such other steps as were best calculated to avert danger, if danger existed. I do not for an instant affirm that there was not ground, good ground, for alarm, but it is due to fact to observe that one cause assigned for the suspicion that something was wrong, was the report that ammunition had been served out to the foreign drilled troops. Now this body Mr. Mayers, on receiving a few days earlier the news of what had passed at Tien-tsin, had requested the Taoutae to have in readiness for the protection of the foreign settlement of Che-foo.

I repeat that this is stated for truth's sake only. Mr. Mayers, ably seconded by his Assistant, Mr. Solbé, and the residents in general, appears to have acted with perfect coolness. It would have been indeed culpable in him to disregard the intelligence brought to him; the more so, that he had reason to be satisfied of the Taoutae's indifference to foreign interests, if not of his hostility.

I shall submit to your Lordship elsewhere the data on which I base this inference. It will here suffice to remark that when the news of the Tien-tsin massacre had been the talk of the town for upwards of two days, the Taoutae professed complete ignorance of what had occurred. So, in the later instance, when he reached the Consulate on the night of the 3rd, he was, by his own statement, utterly unimformed of a rumour which was already in everybody's mouth. Such ignorance is, in China, impossible; or if possible, by law unpardonable; and I have accordingly complained of it to the Prince of Kung, as a neglect of duty by which the security of the foreign community may be compromised.

I inclose a copy of my despatch to His Imperial Highness; copy of Mr. Mayers' despatch reporting the alert of the 3rd; of my reply to that despatch; and of a second despatch from Mr. Mayers, inclosing one addressed by him to the Taoutae Liu on the precautions it is desirable the authorities should observe, which I have approved.

There is now one Italian man-of-war at Che-foo, and there will shortly arrive a Prussian squadron.

I have, &c.

(Signed) THOMAS FRANCIS WADE.

Inclosure 1 in No. 33.

Mr. Wade to the Prince of Kung.

Sir, *Peking, July* 14, 1870.

I HAVE the honour to inform your Imperial Highness that on the 25th ultimo, three days after the arrival of the news of the massacre at Tien-tsin at Che-foo, Mr. Mayers, Acting Consul at the latter port, called on the Taoutae for the purpose of speaking to him on the subject. The Taoutae assured him that he had heard nothing about the massacre. Late on the night of the 3rd again a report was brought to the Consulate that the foreign settlement was to be attacked and plundered. Mr. Mayers sent to request an interview with the Taoutae, and that officer in this instance also pleaded ignorance of the rumour.

The proposal to attack the settlement, it is understood, was designed by some of those persons of indifferent character, of whom there are plenty hanging about Che-foo, and who are said to have been reinforced by Chinese who have taken active part in the Tien-tsin affair.

I cannot understand how, in China, an officer in the Taoutae's position should have been ignorant of rumours of which the whole community, native and foreign, have cognisance. If he indeed be so, to whom are we to look for the measures necessary to the preservation of peace? Your Imperial Highness will, I am sure, agree with me, that at a time like the present, the chief authorities at the Consular ports should take pains to keep themselves somewhat better informed. The Tien-tsin atrocity is surely sufficiently grave without farther complications.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure 2 in No. 33.

Acting Consul Mayers to Mr. Wade.

Sir, *Che-foo, July* 4, 1870.

AT about half-past 9 o'clock last evening, one of the Customs tidewaiters came to me with a report that had reached him in the town, of an intention on the part of the Chinese to attack the settlement here during the night, and although not attaching much credence to the statement, I thought it right at once to assemble the principal residents, and communicate the intelligence. Scarcely had a portion of the community come together, when other reports began to come in from independent sources, and some masters of merchantmen landed, having been warned by their compradores that mischief was brewing. While concerting measures for a guard and patrol of the settlement, I dispatched a messenger requesting the Taoutae to come in and consult with me. The Taoutae returned a reply that he would come the next day; but Mr. Solbe, who received the messenger, at once sent word back urging the Taoutae to come without delay, and he accordingly came in, arriving between 11 P.M. and midnight. I explained to him the reason of my having disturbed him so late, stating that, although no positive intelligence was at hand, yet the reports received came from so many quarters as to compel a certain degree of attention; that the community were already armed and alert, and that I wished to put him equally on his guard; adding that what I chiefly feared was lest advantage might be taken by evil disposed persons of the prevailing excitement to raise a mob and plunder any of the scattered foreign houses. The Taoutae professed, as on the last occasion when I saw him (as reported in my despatch of the 1st instant), complete ignorance of any reports of the kind, and had little to suggest or offer in the way of protection beyond mentioning the drilled troops who, to the number of 500, lie in close proximity to the town. As, however, these are precisely the men who are most to be dreaded in the event of an outbreak, I thought it prudent to refrain from requesting him to put them under arms. The Taoutae offered to issue a proclamation warning the people against disturbance, but I begged him to suspend, at least for the present, any such action. His visit to the settlement at my request was, in my opinion, sufficient to serve as a warning for the time being; and I parted with him, after arriving at an understanding that he should be vigilant and prepared with the best means in his power to preserve order. Meanwhile, the very scanty stock of arms available for use was being got in readiness, and a party of volunteers, including the Italian Minister, Count Fe d'Ostiari, and his Secretary of Legation, who are temporarily here awaiting news from the capital, mounted guard for the night. Their numbers were augmented by four seamen of the French navy, who are stationed here, and all the approaches to the settlement were put under guard. The steamer "Manchu," from Tien-tsin, had arrived during the afternoon, and several ladies of the settlement,

whose apprehensions are perhaps justifiable in view of the atrocities committed so recently in our immediate neighbourhood, sought refuge on board her for the night. Nothing occurred, however, to cause alarm.

In the absence of any naval protection, as at present, the settlement is of course thrown entirely upon its own resources for defence, and these consist in about fifty adults, with a few additional men from the shipping. Unfortunately there are not a dozen rifles or muskets in the place, ashore or afloat, but some revolvers are forthcoming. Deeming it extremely desirable to refrain from showing the Chinese any appearance of unnecessary alarm, I have cautioned all the residents in this sense; and I have reason to hope that in the event of a disturbance breaking out, a sufficient defence could be made to enable the community at least to retire on board ship, but the absence of a steamer (after the impending departure of the "Manchu") is unfortunate. There is, indeed, a Chinese steam gunboat in port, which arrived here, commanded and manned wholly by natives, a few days ago from Foochow, and I suggested to the Taoutae that she be availed of among the measures for maintaining order. He disclaimed, however, all knowledge of her presence here, and all power to control her movements in any way. I propose making a further effort this morning to obtain his consent to placing her temporarily at our service.

In conjunction with the Consuls for the other Powers, I have invited a meeting of the residents at 10 A.M. to-day, for the purpose of concerting further measures for defence in case of need. There has been no time as yet to sift the rumours that have been brought in, but this I shall proceed to do with the utmost care. I deem it my duty to forward a copy of this despatch by the out-going mail for the information of Her Majesty's Secretary of State for Foreign Affairs; and I communicate also with Her Majesty's Consul at Shanghae, requesting a supply of arms from any available quarter.

Your, &c.

(Signed) W. F. MAYERS.

Inclosure 3 in No. 33.

Mr. Wade to Acting Consul Mayers.

Sir, *Peking, July* 14, 1870.

I BEG to acknowledge the receipt of your despatch of the 4th instant, reporting the alarm occasioned by a rumour that the foreign settlement was about to be attacked on the night of the 3rd instant.

It has been stated here that some of those concerned in the Tien-tsin affair of the 21st ultimo, people of the class likely to be most active where a riot might end in the sack of the foreign hongs, have made their way to Che-foo, and I have little doubt that the rumour which reached you was by no means without foundation. If this surmise be correct, the safety of the settlement owes much to the energy with which you acted.

Another statement here is that the alarm at Che-foo was occasioned by information that the disciplined Chinese force had been supplied with ammunition. But this proceeding your own suggestion to the Taoutae, when you saw him upon the 25th ultimo, that the drilled troops ought to be called out, would perhaps explain.

The Taoutae's protestations of ignorance in both cases in which you have both applied to him, are certainly not to be passed unnoticed. So long as he professes to be uninformed of impending danger, we cannot of course put much store upon his guardianship, and I have accordingly brought his remissness to the knowledge of the Prince of Kung.

I am, &c.

(Signed) THOMAS FRANCIS WADE.

Inclosure 4 in No. 33.

Acting Consul Mayers to Mr. Wade.

Sir, *Che-foo, July* 6, 1870.

IN continuation of my despatch of the 4th instant, I have the honour to inform you that, at a public meeting of the residents of this place held on the morning of that day, a local guard was enrolled for the purpose of patrolling the settlement at night, and measures were concerted for defence in case of need. The investigation I have instituted into the origin of the rumours which alarmed the community on the night of the 3rd instant, lead me to believe that a state of great excitement had undoubtedly been created among the Chinese by designing persons, and hostile expressions directed

particularly against the French are found to have been current, though it is satisfactory to learn that these were accompanied by assurances that no harm was meditated with reference to foreigners in general. The arming of the community has had a reassuring effect with both foreigners and Chinese, and, at my recommendation, a volunteer corps of the permanent residents is further in process of organization, which will form I trust, a nucleus for defensive purposes in any future emergency.

I have addressed the Taoutae officially with reference to the existing state of affairs, and inclose herewith a copy of my despatch for your information.

I have, &c.
(Signed) W. F. MAYERS.

Inclosure 5 in No. 33.

Acting Consul Mayers to the Taoutae Lin.

Che-foo, July 6, 1870.

ON the 3rd and 4th instant, the Undersigned, in common with the Consuls for the other Powers residing at this port, received information to the effect that evil-disposed persons in the neighbourhood were on the look-out for an opportunity to commit acts of robbery, and indulge an inclination towards mischief. Whether these reports were true or unfounded was, indeed, uncertain, but inquiries made in various quarters tended to confirm them, so that precautionary measures seemed absolutely needed. The Undersigned communicated, on the one hand, with the Taoutae; and, on the other hand, recommended the foreign residents of Che-foo to form a local guard, and furnish patrols of the streets at night, for purposes of defence in case of need. This has already been mentioned to the Taoutae in a personal interview. As, however, the maintenance of order and public security here is the Taoutae's special duty, the place and people being subject to his individual control, the Undersigned deems it his duty to request that, whatever measures may be deemed necessary, be taken by him in order that no disturbance of the public peace may arise. He has to observe, in addition, that of the public houses for the sale of liquors to European seamen and others at present existing here, some are kept by Chinese; and at a time like the present, when excitement is rife, it is very necessary that extraordinary precautions be applied. The Undersigned and the Consuls for the other Powers, have already issued an order requiring the European public-houses to close at 9 P.M.; and would now request that a similar order be issued by the Taoutae with reference to the shops kept by Chinese where liquor is sold.

(Signed) W. F. MAYERS.

No. 34.

Mr. Wade to the Earl of Clarendon.—(*Received September* 23.)

My Lord, *Peking, July* 16, 1870.

WE are still without anything like a trustworthy account of the movement which terminated in the massacre of Tien-tsin on the 21st ultimo.

Some evidence, documentary and other, as to the causes of the movement and its character, I shall presently submit to your Lordship. But before coming to this I shall, for exactitude's sake, correct one or two statements advanced in my despatch of the 26th ultimo.

My impression that the original cause of the excitement was the belief that children received by the hapless Sisters of Mercy were taken into their orphanage for unholy uses, remains unshaken: but I am assured that it is incorrect to assert that any of these infants were, as I had thought, purchased by the sisters.

The three Russians murdered did not, as I supposed, reside on or near the French position, but that they were killed because their murderers took them to be French will appear from the inclosed extract of a note from M. de Butzow. Three others discovered to be Russians were allowed to go free.

Lastly, as regards the unfortunate Consul, M. de Fontanier himself, if a very credible witness who has lately reached Peking, speak truth, the collision in which he lost his life was not exactly provoked, as I at first surmised, by act or menace of his. A Chinese Roman Catholic in his service affirms that, when M. Fontanier left the Consulate, the mob, whose clamour, however, was the cause of his proceeding to Ch'ung Hou's yamên, had as

yet done no deed of violence; but some time after his departure M. Thomassin, an interpreter, who, with his newly-married wife, was to have left Tien-tsin the same day for Peking, alarmed by the look of things, endeavoured to reach the boat, which was waiting not far off, to convey them. He had armed himself with a Chinese sword and a pistol. On his way to the boat one of the mob threw a stone, on which M. Thomassin, quitting his wife's side, turned on his assailant. He was immediately overpowered and murdered with his wife. The attack on the building then began, and its demolition had commenced before M. Fontanier, returning from Ch'ung Hou's yamên, arrived.

I have not examined this man myself, and tell the story as I have had it from M. de Rochechouart, who appears satisfied of its truth.

If the case was as this man states it, it is needless to inquire whether, on M. Fontanier's return, he said this or did that. Blood once shed, he would certainly have been killed.

The stories of his violence in the yamên of Ch'ung Hou, and afterwards when he met the Chih-sien near the Consulate, are very contradictory. If he drew his sword, and fired pistols in the yamên, he would, in my belief, have been then and there cut down, whether Ch'ung Hou willed it or not. Yet it is affirmed that he did this, and that his Chancelier, M. Simon, an ex-Sabreur, also made use of his weapon to threaten, if no worse. It is inconceivable that, after all this, either of them should have been allowed to reach the Consulate. Yet reports, both of Christian Chinese and others, are tolerably agreed that he did make his way to the Consulate, and did there fire upon the Chih-sien, wounding, some say mortally, one of his, the Chih-sien's, attendants. On this last point the official inquiry now begun will perhaps throw some light. The whole truth will never be known.

Two Swiss merchants, MM. Borel, residing near the French Consulate, had a wonderful escape. M. Thomassin had been with them until 10·30 A.M. The disturbances began, a little after, about 12, and from that moment until the following evening they were blockaded in their house, the crowd returning from time to time, and retiring when remonstrated with by their compradore. They were eventually conveyed to the British Concession by Ch'ung Hou, in whose yamên a French subject, the only one who escaped, had also taken refuge.

Details abound, but few deserve any credit. Eye-witnesses are very rare, and this cannot be wondered at. I have examined, with Mr. Adkins as Assessor, three Christians sent me by Protestant missionaries; but neither the fact nor the conclusions with which they supplied us, were what we should have expected from their reports to the gentlemen who sent to the Legation.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure in No. 34.

M. Butzow to Mr. Wade.

(Extract.) *July* 8, 1873.

IT appears that the three persons in question, two clerks of a Russian merchant and the wife of one of them, were returning to the Settlement in sedan-chairs from the suburbs (on the left bank of the river), by a road passing by the salt magazines, when a crowd of natives stopped the chairs. They spoke to the lady, who was seated in the first chair, but their questions not being understood they spoke to the bearers, one of whom answered that the lady was a Russian. But the ruffians saying that the man deceived them, for all Russians spoke Chinese, and this woman not understanding them was surely a Frenchwoman, killed the chair-bearer, rushed on the poor woman and killed her, as well as the two men, who, it seems, had not even had time to jump out of their chairs. Their bodies were stripped of nearly all their clothes and thrown into the river.

At about the same time, in another part of the town, three Russians happened to be in the streets when the populace was rushing to the French establishments; they were running towards the Settlement when they were surrounded by armed Chinese ready to stab them; but one of the assailants recognized them as Russians, and taking them under his protection accompanied them to their homes.

No. 35.

Mr. Wade to the Earl of Clarendon.—(*Received September* 23.)

(Extract.) *Peking, July* 16, 1870.

IN continuation of my despatch of this day's date, I beg now to lay before your Lordship the papers I mentioned as having reference, more or less, to the causes and character of the tumult at Tien-tsin on the 21st ultimo. A satisfactory understanding on these points is the more essential because news received before and since that date in some degree authorize the suspicion that this rising was but part of a concerted movement.

I approach the subject with very great embarrassment. A fearful outrage has been perpetrated, with the unhappy victims of which I am not a man less likely to sympathize than my neighbours. For the sake of others, I would gladly avoid anything that might seem to indicate a want of sympathy on my part. I will admit, besides, that I would not, if I could help it, even expose myself to the imputation that, in the case of a calamity so terrible, I was wanting in sympathy. The charge is all but certain, at the same time, to be brought against any one who, at this moment, shall contend that there are two sides to this question. I feel it my duty to maintain that there are two sides to it. I do not exonerate the Chinese Government from blame, but I am bound to oppose the conclusion which the foreign public appears to me over-ready to adopt, viz., that, to use the stock phrase, "the mandarins were at the bottom of it all," and that the well-intentioned proceedings of the Sisters of Mercy at Tien-tsin were in no way responsible for the fearful catastrophe in which, with their co-nationals, they were involved. If my view is the wrong one—if the popular foreign view is correct—then not France alone, but other Powers, must make them ready for battle.

Some time ago a French Roman Catholic gentleman, certainly to be regarded as a high authority, had spontaneously expressed an opinion that the orphanages of the Sisters might too possibly prove a source of danger to the whole missionary body.

Since the massacre of the 21st, two other Roman Catholics of different nationalities, each from his position very competent to speak, have expressed themselves to me in nearly the same terms; one of them, in particular, observed that, at Canton, the Sisters' orphanage had received in one year 700 infants, every one of whom died!

In my despatch of the 3rd instant, I inclosed some extracts from the laws and law-books of China, which I held to show that the people, educated and uneducated alike, do believe that by the use of drugs the kidnapper can bewitch his victim. I also showed that, in the *materia medica* of China, various portions of the human frame are considered available for medical purposes.

There is another belief in the Chinese mind just now very worthy of note, a belief of ancient date, that evil deeds will bring the curse of heaven on the land in the form of drought, flood, pestilence, war, earthquake, &c. I should have drawn attention to this before, because in the Minister Ch'ung Hou's letter to the Yamên of the 19th of June, he commences by observing that the long want of rain had already disquieted the people's minds, when, at the beginning of the month, rumours began to circulate that young children, drugged and kidnapped, had been buried by the Sisters of Mercy.

I will here mention that, within a few days after the news of the massacre reached Peking, the teacher of a foreign student (not in this Legation), with whom he was conversing upon what had happened at Tien-tsin, observed that, by the heavy rains since the event, heaven had testified its satisfaction at the punishment that had fallen upon the French. He hastened to qualify what he had said, but I have no doubt that he had spoken his true thoughts. He believed that the Roman Catholics had been kidnapping children, and that heaven had punished them accordingly.

The same belief, that "heaven is outraged and earth revolts," is recorded in a letter from Cantonese at Tien-tsin to Cantonese at Che-foo, translation of which has been sent me by Mr. Mayers.

There is no reason to doubt the genuineness of these letters, and they are certainly something towards proof of a general impression that children had been bewitched and kidnapped; that they had been stolen at the instance of the Roman Catholics, and for horrible purposes; and that a Roman Catholic Chinese Agent, by name Wang San, incriminated by a kidnapper on his trial, was protected in the religious establishments.

I inclose copy of the despatch, in which Mr. Mayers forwarded two of these letters, together with copy of a very interesting conversation he had had with the Taoutae, Lin.

In his despatch, Mr. Mayers remarks on "the matter-of-fact way in which [the letters he sends] refer to the virtual encouragement given by the local authorities to the delusion and fury of the people."

I deprecate this language. The Magistrates could scarcely have done less than they are here represented to have done, if they believed what the people believed, and their education considered, I know no reason why they should not believe it. In his conversation with the Taoutae, Lin, a man apparently of more than ordinary information about foreign countries, Mr. Mayers was astonished to find that he, too, professed his belief in the malpractices imputed to Romanists. It does not astonish me. The story is of old date, and not told only of the Roman Catholics. They, the Roman Catholics, are no doubt eminently unpopular with the educated class; and their unpopularity, according to the commonest of laws, will doubtless dispose those who hate them to believe the more readily any evil that may be told of them. But I am satisfied of this, that most, if not all of the high officials with whom I am in constant intercourse, do believe, as firmly as two centuries since it was believed by Sir Matthew Hale, that by the use of drugs and spells children can be bewitched; and if at all, why not by Roman Catholic Agents? and if by them, why not for purposes which all China believes the human body can be made to serve?

I inclose my answer to Mr. Mayers's despatch. And now of the Tien-tsin outrage, taken by itself. I will only say here that the excitement which had been agitating the Tien-tsin people for at least three or four weeks before the massacre, appears to me to require no other explanation that that popularly assigned it by the Chinese. It is right to add that if, as some Chinese assert, the authorities, civil or military, did, on the 21st, encourage the mob, their so doing would not have been thought blameworthy, but meritorious. The Chinese letters, written to Chinese, though giving the authorities credit for their proceedings against Wang San and otherwise, say no word that would imply even their approval of the riot.

If, as the same letters allege, and I have heard the same allegation here, Ch'ung Hou and the other authorities refuse in the first instance, to entertain the petitions of those who accused the Roman Catholics of kidnapping, the outbreak of the 21st June must, in great part, be laid to their charge. I do not make out that, until a few days before it took place, they communicated with M. Fontanier upon the subject at all, although, as stated in his letter of the 21st to M. Rochechouart, there had been, and that for some days past, "attroupments" about the Sisters' hospital.

The unhappy man himself, one would think, cannot have measured the danger of the situation, for his first word to his Minister was written but on the morning of the massacre and he speaks of all peril as past.

He says nothing of his refusal to surrender Wang San to the magistrate, whose appearance at the Consulate at the time of the disturbance is explained by common gossip to have had this man's arrest for its object. On this point we shall be better able to decide by-and-bye.

There was but one means of averting mischief, an inquiry that would have satisfied the Chinese; and such an inquiry, it is shown by the letters of both, M. Fontanier and C'hung Hou had it in contemplation very presently to institute. That, had it taken place, the storm would have been turned aside, is established, I think, by the letter of Ma Sin-i, Governor-General of the Two-kiang, informing the Yamên of the steps taken by him in the face of a similar difficulty at Nanking.

I inclose translation of this paper, the sum of which is this, that the people had been excited for about a month, at the same time and by the same description of rumours as the people of Tien-tsin, that he, too, had rejected as baseless the charges made by kidnappers against the Roman Catholic Priests (there are no Sisters at Nanking), that he had beheaded a large number of kidnappers; and that, finding the people still unquiet, and a proposal on foot to attack the Roman Catholic establishment, he sent officials to inspect the premises. The Jesuits made no difficulty. They showed every corner of their premises to their visitors, and Proclamations were then issued by which public confidence was completely restored.

I inclose translation of one of these Proclamations issued by the Prefect on the 10th of June, and forwarded me by Mr. Medhurst, also copy of his despatch.

The Prefect of Nanking informs the people that he had sent officers to the Roman Catholic Mission. The statement of the missionary visited, as it established the falsehood of the charges current, he publishes. He will punish kidnappers, and the people are not to be misled by anonymous placards,—the common form of public prosecution in China.

The translation will enable your Lordship to judge whether, as I regard it, this proclamation is fairly calculated to rectify misapprehension, or, as it appears to Mr. Medhurst, a clumsy attempt to free the missionaries from the imputation under which they have lain.

I must add, in justice to Mr. Medhurst, that he has not seen the letter of the Governor-General, Ma Sin-i, which was written since the massacre, and which only came into my hands a few days ago.

Your Lordship will observe that the Governor-General notices these movements as having occurred almost simultaneously in Tien-tsin and at Nanking. The Romish missions both in Che-kiang and Kuang-tung were also on the *qui vive;* but I believe the alarm has passed away.

I have stated that I do not think the Government "at the bottom" of all this; on the contrary, if I am not mistaken, it is seriously embarrassed by these movements, and for very sufficient reason. The Governor-General suggests no explanation of them, neither have I heard a Chinese high in office hint at any. It is my impression, and not wholly mine, that the kidnappers, real or counterfeit, are put forward by the disaffected to secure a collision between the Imperial Government and the French. The murder of six young Englishmen in 1847, in a village near Canton, as papers which came years after into my hands made plain, immediately suggested the commencement of an insurrectionary enterprize to the affiliated societies with which the province abounds. The popular misgiving about the bewitchment of children and its object, with the Asiles de la Sainte Enfance to point to, might become a useful weapon in the hand of any enemy of the Government, even were the public mind not designedly worked upon. I think it is plain that in this instance it has been so worked upon; but that mandarins, lesser or greater, have been the instigators of violence, we have not, as yet, in my opinion, any evidence worth examination to show.

Still less do I hold the Central Government directly responsible for what has occurred; but remotely it is very seriously responsible. For one great cause of misunderstandings in this country is, without doubt, that ignorance of the foreigner's real nature and lawful rights, without enlightenment of which there is no hope that the dislike and mistrust of him felt by the people and their authorities will be removed; and to enlighten this ignorance the Central Government does, practically, next to nothing. Its attitude, and its tone in correspondence, not intended to meet the public eye, on the contrary, though not hostile, is never cordial. Hence, not immediately the Tien-tsin rising, but a state of public opinion which makes similar outbreaks possible.

The remedy is that the Government should by deed and word boldly declare its recognition of the equality of foreign Governments with its own, and its determination to enforce fulfilment of its engagements.

I have worked hard to impress this truth upon the Yamên.

I have, &c.

(Signed) THOMAS FRANCIS WADE.

Inclosure 1 in No. 35.

Letter from Cantonese at Tien-tsin to Cantonese at Che-foo.

(Translation.)

THERE have been established at Tien-tsin for the last three years a French cathedral, hospital, and Consulate. No disturbance of any sort had heretofore been excited [in connection with these places].

Quite unexpectedly, however, at the commencement of the 4th moon of this year, the French gave authority to certain of their converts, who bore on their persons some stupefying drug, to go every day into remote places and kidnap boys. No reference was made to age, and all indiscriminately were kidnapped to such an extent that in the space of half a month they numbered several hundreds. These were taken and confined in the precincts of the cathedral and hospital. Their eyes and hearts were then taken out, but for what purpose I do not know. Their bodies were then secretly made away with.

The news of this spread abroad, causing the deepest resentment, and two of the kidnappers were seized and punished. After this another was seized, and he confessed that the head of the kidnappers was concealed, and others—honest persons who had been stupefied by these same drugs—detained in the cathedral and hospital.

On the 22nd and 23rd of the 5th moon, therefore, the Tien-tsin Taoutae, with the Chee-foo and Magistrate, went to these places for the purpose of seizing their headman; but the French got enraged, and went to the Imperial Commissioner, Ch'ung Hou, whom they abused, and, moreover, even fired shots at him, which he most fortunately, by withdrawing, escaped; two men in the yamên were however shot. They then returned to the cathedral, firing shots along the road and wounding several of the people.

On this the people assembled to the number of some 10,000 persons, and entered the cathedral and the French Consulate (being next door), which they pulled to pieces, throwing the furniture into the river. They then seized the kidnappers, those wicked missionaries, and the Consul, and slew them, in all more than ten persons, among whom were two women. Their bodies they flung into the river, which floated them down with the stream. The cathedral and Consulate were burnt to the ground. The people then went on to the hospital and acted in the same way, killing several persons and burning it down. From the cathedral and hospital some 180 persons, who had been confined in these places, were rescued.

This is indeed an act of villainy on the part of the French at which heaven is enraged and earth revolts, and which, acting as fuel to the fire, drove on the people to this excitement resulting in these attacks, and which the Chinese authorities were quite unable to put down.

The affair has, however, gone too far, and I am much afraid that later on the French will take up arms; but how it will all end I cannot tell. It was in no way directed against the Americans or English, and trade is as it was before.

The Imperial Commissioner, Tseng Kwo-fan, is looking into the matter. What action is taken I will write you again.

Inclosure 2 in No. 35.

Letter from Tien-tsin Letter Agency to Che-foo Letter Agency.

(Translation.)

THIS is to inform you lately the barbarians have employed men of our country to kidnap infant children, male and female, in all directions, for sale to the T'ien Chu T'ang (Roman Catholic Mission), where peoples' eyes are dug out and hearts cut away to be used as charms. This was detected on the 6th June by the neighbours, who on that day carried one of the kidnappers before the authorities of Tien-tsin by whom he was at once placed on trial, sentenced, and condemned to execution. After this, repeated seizures and repeated executions took place, but these people were still not deterred. It is stated that no small number of infants perished under their hands, and the populace felt most wrathful. At length, on the 21st June, all the people assembled *en masse*, and all of a sudden burnt down the Roman Catholic Mission, the Hospital, and the church, killing at the same time ten or fifteen of the barbarians. Several hundreds of the people also, who had been beguiled into entering the Mission, &c., were at the same time restored to liberty. Afterwards, the people becoming thoroughly excited, and reports of all descriptions flying about, proclamations were issued on the 22nd to tranquillise the popular mind, but the authorities on all sides could not make up their minds what was to be done. At present his Excellency Chung has issued a proclamation, calling upon the people to await the Imperial commands. Judging from what has happened, great trouble is likely to follow, and our business is sure to be interrupted. What on earth is to be the result if trade is suspended at Tien-tsin, and there are no profits to be made? Having nothing laid by, how can we possibly return home? For the present there is no possibility day or night of passing to and fro in the foreign settlement, and it is as if we were altogether cut off from communication. If matters come to a crisis we shall not be able to keep our footing at Tien-tsin.

Stamped with the seal of the Ts'uan Tai Shêng Letter Agency at Tien-tsin.

Inclosure 3 in No. 35.

Summary of the Occurrences at Tien-tsin (written by a Cantonese at Tien-tsin, for the information of his Fellow-Provincials residing at Che-foo).

(Translation.)

FOR some months past it has been reported about Tien-tsin that the foreigners Roman Catholic Mission (Tien-chu-tang), hospital (Jen-tsze-tang), and missionary chapel (Li-pai-tang), habitually caused native converts to administer drugs to other converts, and to send them out in all directions to kidnap infant children to be brought to the church to have their eyes and hearts dug out. This has gone on for a long time, and came to the knowledge of the people; and several of the kidnappers had been seized and handed over to the authorities. On being placed on trial they made confession of their crimes, whereon

the District Magistrate and the people also became filled with indignation. Some* were even recovered from the precincts of the mission buildings. At length, at 10 o'clock in the morning of the 21st June, the Prefect and District Magistrate of Tien-tsin went in person to the mission buildings for the purpose of laying hold of a headman of the kidnapper named Hwang San, but did not succeed in apprehending him, and they (the two officials above-named) hereupon returned home. The people, however, still remained in assemblage around the mission buildings without dispersing. Some of them threw stones and entered the building, and the gatekeepers were unable to keep them out. The foreigners, therefore, came out with their firearms to offer intimidation, but the crowd, notwithstanding, grew greater and greater. Close by the Roman Catholic church was the French Consulate; and the French Consul seeing that it was impossible to maintain order, went with a Vice-Consul of his, both carrying arms in their hands, to the Imperial Commissioner's residence. They went in and (sought) to compel the Imperial Commissioner to go himself and maintain order; but the Imperial Commissioner refused to go. The foreigners hereupon fired off their pistols and wounded with a sword an aide-de-camp of the Commissioner. The people outside the gate, under the impression that the Imperial Commissioner was being attacked, raised an outcry and sounded their gongs, whereupon instantly a crowd collected from all quarters. The French Consul went outside the gate, and there met the District Magistrate of Tien-tsin, whereupon the foreigners again fired. This aroused still further the anger of the populace, who pursued the Consul to the gateway of the mission buildings, where they killed both the Consul and the Vice-Consul.

They next made an entry into the mission buildings, and dealt blows indiscriminately, setting fire to the place at the same time. The mission buildings were burnt down to the ground, and they further proceeded to burn the hospital. At the three places they rescued in all more than 200 infants belonging to the people, and killed sixteen of the French men and women, killing also by mistake three Russian men and women. They plundered the merchant establishment called the Fu-chang-hong in Chên-she Street, where a Frenchman and his wife were also killed; the people then felt that their indignation was assuaged. Among them there were certain evil disposed persons who wanted to plunder the foreign mercantile establishments, and destroy the settlement at Tsze-chu-lin; but fortunately, when preparing to do so, they were prevented by the drilled troops, who were mustered for the purpose, and (the settlement) was protected from harm. Robberies are still being committed night after night by evil disposed persons at the dwellings of converts. After the affair occurred the authorities issued proclamations to tranquillize the people and prohibit (disturbance); and now matters are quieting down into their accustomed state. During the last few days Earl Tsêng (Tsêng Kwo-fan) has been ordered to come to Tien-tsin and inquire into the matter, and a high officer has furthermore been sent from Peking to maintain order. At the present writing all the foreigners have retreated to Tszechulin (the settlement) where they maintain patrols by day and night unceasingly for their own safety. I accordingly write this for your information, and am only sorry that the disturbance has entirely broken up trade.

Inclosure 4 in No. 35.

Chinese version of the Tien-tsin Massacre.

Tien-tsin, June 27, 1870.

FOR some months, rumours have been getting stronger and riper, that the missionaries and Sisters of Charity were getting hold of children, women, and men, in order to kill them, and make use of their eyes or hearts to prepare medicine. A large number of applications from the people were handed to Ch'ung Hou, the Governor of the place, to investigate these affairs; and, if found true, to get the culprits punished. Ch'ung Hou returned the papers, saying the complaints were foolish, and the rumours should cease. Upon this the Magistrate of the city was applied to, but he declined to investigate the matter, as being far too important to be tried by him, a small mandarin.

Two kidnappers happened to be caught, and the magistrate applied for Ch'ung Hou's permission to kill them; but the latter replied, that they first must properly be tried, and executed only if really found guilty. The Tien-tsin Foo arrived at Tien-tsin on or about the 17th June, and he, as soon as he heard of the two kidnappers, had them put to death at once, on his own responsibility. Another kidnapper was apprehended at Peckcheong, a village 30 li to the north-west. He was a lad of 19 years of age, and not being quite skilled

* The Chinese phrase leaves it doubtful whether the "kidnappers" or "their victims" are meant.

in his art, he only succeeded in enchanting one of two field-labourers. The second followed them, and got the enchanter arrested. Upon being closely examined, the kidnapper confessed that he had already sold more than ten men and children to the guardsman or porter of the Lazarist mission or cathedral, at 6 dollars a-head. The buyer's name was Wongsang.

The following day, the 18th June, Ch'ung Hou was requested to ask the French Consul to give up this man. The same day the Tien-tsin-Foo, the Taoutae, and the magistrate, went to the French Consul, who told them that Wongsang was not with him; but, if anywhere, with the Lazarists next door. The three mandarins searched the church and the missionaries' houses, but could not find him. On their going away, they found a large crowd assembled in front of the cathedral, who sneered and laughed at them for not being able to find out the man.

On the 21st June, the same three mandarins, accompanied by an immense crowd of people of all classes, went to the cathedral no less than three times, in order to get hold of Wongsang, and each time the crowd got more turbulent; children at last threw stones at the door, and eventually smashed a window. Five Chinese went to the Consul next door, and complained; and he at once considered these circumstances to be of a most dangerous nature. The Consul, M. Fontanier, therefore went to the Governor's yamên, accompanied by his Secretary, M. Simon, and soon followed by M. A. Coutris. Ch'ung Hou promised immediately to despatch mandarins to quiet the crowd, but he had to send for the mandarins first. The Consul getting more and more impatient, high words fell; and M. Fontanier drew his sword, and cut into the table. Ch'ung Hou tried to sooth him; but the French Consul said that he had heard already that his life was doomed by the crowd, and that surely Ch'ung Hou should die first. Saying so, he fired two revolver balls at Ch'ung Hou, but both passed close to Chung's right arm without wounding him. Several small mandarins interfered, and pushed the Consul to the door; but the first follower got a severe sabre-cut across his face. Eventually M. Fontanier wished to leave the Yamên, M. Simon brandishing his sword to make room for him in front. Just on the threshold they met the Tien-tsin magistrate, who was entering; high words fell again, and M. Fontanier was again advised not to lose his temper; but for answer, M. Fontanier shot at, but missed him, hitting the servant of the magistrate in the head, killing him instantaneously. M. Simon at once shot twice into the crowd, when he got attacked by the mob, most furiously, and was killed before the eyes of the Consul, in a frightful way, his belly being cut open, &c. The next moment the Consul himself was knocked down and murdered. Both corpses were thrown into the river.

Meanwhile, or very soon after, the Lazarist Mission and the point-mission, situated on opposite banks of the river (at the junction of the Pehio and Imperial Canal) had been rifled of everything moveable; immoveables, such as walls, &c., being broken. Père C. M. Chevrier, and a Canton convert priest, and Mr. and Mrs. Thomasin, were killed and thrown into the river, all nearly at the same time. As much straw as could be got was piled up in the Cathedral, a number of Chinese servants to the French converts were put into it, and fire was set to the building. Next, the Consulate was burnt down.

The Jesuit mission was almost at the commencement of the troubles pulled down entirely, but not fired, as no missionary was present there, and Chinese houses abutted from it. Although since early morning the streets were already thronged with people of all classes, an enormous crowd passed over the bridge, through the narrow streets, to the hospital of the Sisters of Charity; led on by gongs, fire-bells, and a large body of the world-renowned Tien-tsin bravos. On the way, they demolished an English Chapel immediately in the rear of Messrs. Cordes' premises. This was towards 2 P.M. About 200 children of the hospital were released by the mob, and transported to the Tien-tsin Foo (Foo or Futai, his name is Chang). Fire was set to the buildings, all the Sisters of Mercy were most miserably massacred, and their bodies thrown into the flames. More than 100 children had taken refuge in a cellar and were smothered immediately.

About half-past 5 P.M., a regular tam-tam retreat was beaten by the Tien-tsin fire-guard; and, except completing the destruction of all chapels, four English and American, the rioters went home quietly.

I add some remarks of my own. M. (or Viscount) de Chalmaison, living half an hour's walk distant from the Consulate, was killed at his own house. Madame de Chalmaison escaped on horseback, but was found out in the streets in the evening and mercilessly killed.

Wongsang, the porter, was taken prisoner at the Cathedral, and awaits his trial by the Futai.

The children taken to the Futai are much visited by benevolent men. Generally, the visitors come with some provisions, and upon seeing the little creatures fold their hands

and say grace, they usually tell them not to do so, or they would have to go without the presents. The clever infants may then be seen partaking of the repast offered, but—say grace afterwards. On the afternoon of the same ill-famed 21st of June, Mr. and Mrs. Protopopoff, two of the Russians, married only three days previous, went to visit some friends up town, being accompanied by Mr. Basoff on horseback. On their return, on the opposite side of the river (often called the salt-side on account of the enormous stock of salt deposited there), they were attacked and murdered. The three Russian gentlemen whom they had visited accompanied them back, but had got a little behind, when they, too, were attacked. Luckily one of these could speak Chinese fluently. All three repeated continually that they were "Nogolustia" or "Nogua-jen," Russian not French. Some Chinamen affirmed this, and having been asked a hundred times over whether they were really Russians, they were to be taken to Ch'ung Hou, but eventually were brought to their own hongs up town.

M. Coutris was hidden in Ch'ung Hou's yamen, and saved, very luckily; for the crowd had seen three enter the gates, but only two had stepped out to be killed,—where was the third? Ch'ung Hou had taken care of him, and saved him in spite of the raging mob. M. Lefevre had a narrow escape; he came only the day before by the "Manchu," with poor M. and Madame Thomasin, but the Consul not having room enough, this gentleman stopped at Tzechulin. He, M. Imbert, and above-named M. Coutris, are the only Frenchmen saved of nineteen, the killed Sisters being no less than nine in number. It is still very dangerous for foreigners to proceed up town. The servants in foreign employ, whether Cantonese or Tien-tsin men, are often threatened that their time will come next; and now and again the house of a Chinese convert is squeezed, robbed, and perhaps the owner killed.

Tsung-ta-jên (Ch'ung How) assures us that he takes good care of the foreign hongs up town, and that nothing is to be feared for them; but even he advises foreigners not to go up to town for some time to come.

Inclosure 5 in No. 35.

Acting Consul Mayers to Mr. Wade.

Sir, *Che-foo, July* 1, 1870.

I HAVE obtained from different sources here two Chinese letters from Tien-tsin, giving an account of the events of June 21, and forward translations of them herewith. I have reason to believe that both are perfectly genuine documents, and they appear to have some value, if only from the matter-of-fact way in which both refer to the virtual encouragement given by the local authorities to the delusion and fury of the populace.

I am glad to be able to state that this port has remained free from disturbance, although the people of the neighbourhood have been much excited by the news from Tien-tsin. I thought it my duty, shortly after having received the intelligence of what had occurred there, to warn the Taoutae at this place of his duty in the event of any symptoms of disorder being manifested, but from his tone I saw little reason to look for energetic action on his part.

The sentiments he expressed in relation to this matter, and to foreigners generally, appeared to me sufficiently noteworthy to merit record, and I inclose herewith a copy of the memorandum I drew up after my interview with him, for your information.

I have, &c.

(Signed) W. F. MAYERS.

Inclosure 6 in No. 35.

Memorandum of a Conversation with the Taoutae Lin, at Che-foo, June 25, 1870, *with reference to measures for the security of the European Residents in case of an Outbreak, and his views relating to Foreigners.*

CONTEMPLATING the possibility of an outbreak of hostility against the foreign residents here in connection with the startling intelligence received from Tien-tsin on the afternoon of the 23rd instant, I called this day on the Taoutae for the purpose of drawing his attention to the necessity for due vigilance.

On my stating that I had come to talk with him about the late news, he feigned complete ignorance of the matter which has for the last forty-eight hours formed the staple

topic of conversation among Chinese and foreigners alike, and persisted in declaring that he had not heard a word of any disturbance, actual or threatened, at Tien-tsin. Accepting this disclaimer, I communicated the particulars of the affair, as ascertained up to the present time, to the Taoutae, who, when I mentioned that the dreadful outbreak of the 21st instant owed its origin to the false reports previously circulated with reference to the kidnapping and mutilation of children by the French missionaries, interrupted me with the question—"Ah, now tell me, what is the real truth about this matter? Do they really make away with children as people say?" I replied that I was astonished to find a man so well informed as the Taoutae asking such a question—he must know as well as myself how thoroughly baseless were these calumnies, which had no foundation in reason, however much they might be strengthened by ignorance and superstition, and added that it was precisely because the city authorities at Tien-tsin, apparently, had resembled him in admitting even the appearance of a doubt on the subject that the mob had become excited to the degree of which information had reached us. A long argument ensued, the Taoutae maintaining that accusations which have endured for 300 years must have at least some foundation, and that the Roman Catholics, by their secret practices and objectionable doctrines, have themselves to blame for any popular resentment they may provoke. He laid great stress, however, upon the propriety of calling for proof in such matters, in which I cordially agreed with him, remarking that a dispassionate official inquiry was precisely the course to dispel such accusations as these.

Passing now to the main object of my visit I stated that, in view of the rising of the mob at Tien-tsin, and the imminent danger in which the foreign Settlement stood on the 21st instant, requisitions had been dispatched to Shanghae which would bring a naval force to the spot in a very few days (the Taoutae murmuring parenthetically "Oh! there was no occasion to send for men-of-war"); but that in the meantime it behoved himself as the chief local authority to be prepared against any demonstration of turbulence at this place, and to afford protection in case of need to the foreign residents. Before my first sentence was completed the Taoutae interrupted me with a voluble assurance that nothing need be apprehended here; and I had some difficulty in checking his flow of protestations for the purpose of impressing upon him the warning I had come to deliver. Taking advantage of one of his exclamations, "I am responsible, leave things to me," I stated that I was perfectly well aware of this, and that I had come for the express purpose of reminding him of his responsibility in the face of circumstances of which, as I found, he was, as yet, unaware.

After much reiteration, I induced him to listen to an assertion of the bare possibility of an outburst of excitement here, stirred up, it might be, by a few designing scoundrels; and I called upon him at the first sign of trouble to employ the drilled troops who are quartered near his yamên in enforcing order and affording the requisite protection to the Settlement. Meanwhile, it would be advisable to say and do nothing that would betray anxiety, but simply to be ready for action in case of need. To this the Taoutae implied a sort of assent, adding, "You know it would never do for me to issue a Proclamation: that would only stir the people up." I earnestly supported this remark, having anticipated the Taoutae would probably offer to issue a Proclamation, according to the usual custom of Chinese officials, against such course it was my intention to warn him; and I was glad at last to find a gleam of common sense inspiring his conduct and language. Recurring later to the idea of a Proclamation, which had evidently floated uppermost in his mind, he used a Chinese proverbial expression equivalent to our own saying of "Don't put him under the pump," as illustrating the probable effect which a tranquillizing Proclamation would have upon the people. It was fully argued, therefore, that he should take no action of any kind unless symptoms of disturbance should occur. I put this on record now as his conduct is not to be depended upon.

A short abstract of the conversation which followed may not be out of place here as illustrating both the character of the man who is placed in control of foreign affairs at this port, and the views in general of the Chinese official class. The Taoutae made use of some expression of ill-will against the Roman Catholic missionaries, and also against the French, as distinguished from other foreigners. He is perfectly conversant with the salient, doctrinal points of both Protestants and Roman Catholics, has read almost all the works, both religious and scientific, that have been translated into Chinese; knows the names of the various European countries, and something about their position and history; and is the only official of his rank whom I have met who has been in intimate unofficial contact with foreigners, having associated about twelve or fifteen years ago with some of the principal Protestant missionaries at Shanghae (probably in the capacity of a teacher of Chinese). He nevertheless does not scruple to manifest a sovereign contempt for Europeans, and a dislike to everything connected with them.

In reply to his observations I remarked that much of the hostility betrayed by the Chinese in general against Europeans arose out of their ignorance, which is perpetuated by lack of means of intercommunication and of the diffusion of knowledge: instancing the absence of railways and telegraphs. Taking the outbreak of Tien-tsin as a case in point, I observed that had a telegraph line stretched from thence to the capital, the Imperial Government would have been informed of the growing excitement as soon as the first symptoms occurred, and would have been enabled to take measures for averting the calamity which has now taken place, boding results of the most serious nature. To the latter part of my remark the Taoutae demurred, saying, that the affair at Tien-tsin is of no real importance ("Swan pu liao shen mo sze"), and would be all settled in eight or ten days; but that, as regards railways and telegraphs, he presumed that in the course of fifty or sixty years China would construct them as well as other nations. Yes, I replied, but why wait so long for what is so urgently needed to-day? Because, rejoined the Taoutae, the people of China are opposed to them. I returned that this opposition arose from mere ignorance, and that it behoved himself and all other men of education and position, who have superior information, and who constitute the Chinese Government, to enlighten their ignorant countrymen rather than pander to their antiquated prejudices. The Taoutae's answer to this was, that no one would come forward in such a cause, as he would at once be denounced as friendly to foreigners. On my asking why any one should dread this charge and not rather seek the more earnestly to dispel the mistaken feelings which prompt it, he seemed to think that he had gone too far, and relapsed into vague generalities about the soothing influences of time.

A long conversation ensued, in which the Taoutae's views on political economy were expressed in the apprehension that the opening of equal advantages to all, such as are conferred by the material appliances of Western civilization, would be fatal to individual interests, and eventually tend to general impoverishment, but the details of this need not be repeated here.

(Signed) W. F. MAYERS, *Acting Consul.*

British Consulate, Che-foo, June 25, 1870.

Inclosure 7 in No. 35.

Mr. Wade to Acting Consul Mayers.

Sir, *Peking, July* 14, 1870.

I AM in receipt of your despatch of the 1st instant, inclosing Memorandum of your conversation with the Taoutae and translations of letters from Chinese of Tien-tsin upon the subject of the late massacre.

I have read these papers with very great interest, and shall forward them to the Secretary of State.

I shall allow myself one criticism upon the language you held to the Taoutae. I go with you entirely in contending that, by increased acquaintance with foreign men and things alone, will the prejudices, which are our great difficulty in China, be removed; but I have found that when in connection with a grave outrage, such as is at present absorbing us, we allude to the introduction of railways or other similar improvements, the Chinese with whom we are conversing is apt to assume that we have no object in addressing him but the recommendation of novelties of this sort; in other words, as we understand it, the mere advocacy of our own material interests.

I see that you stoutly challenged the Taoutae's belief in the practices imputed by the people of Tien-tsin to the Sisters of Mercy. You must remember that the Chinese do believe these things of their fellow-countrymen, and that after we ourselves had had the Bible for above a century and a-half, we still continued to condemn witches to death on charges at once as horrible and ridiculous.

Your, &c.

(Signed) THOMAS FRANCIS WADE.

Inclosure 8 in No. 35.

The Governor-General of the Two Chiang to the Tsung-li-Yamên.

(Translation.)

I HAVE received a note from the Yamên stating that M. de Rochechouart had announced his intention of starting from Tien-tsin for Kiang-su and Che-kiang, for the purpose of ascertaining by secret inquiry whether it be the truth or not that the Roman Catholic establishments have been incriminated by persons [charged with] kidnapping, when news was received that there had been a tumult at Tien-tsin in consequence [of the religious establishments] being incriminated by kidnappers, and that the French Consul Fontanier had been killed by the mob. I was, accordingly to issue confidential instructions to the local authorities, directing them whenever a case of kidnapping occurred, in which Roman Catholics might be incriminated, to investigate the matter to the bottom, and to be careful not to give ready credence to idle rumours, as by doing so they might give rise to disturbance.

During the end of the 4th and the beginning of the 5th moon, children were constantly being reported to me as missing, both inside and outside the city, and men arrested [on the charge of kidnapping] did, after searching examination, make statements that implicated the Roman Catholics; but as these were unsupported by any satisfactory proofs, it was not thought proper to follow up their charges, and the cases were therefore summarily disposed of as having reference to them alone.

Incessant complaints, however, of children being kidnapped continued to be made by the people, until a kidnapper was taken almost in the act, who, when brought before the authorities, stated that one Chao-tê-sheng, a Christian belonging to the Roman Catholic establishment [at Nanking] was his principal. This increased the difficulty of disarming popular suspicion. The rumour as it was passed on changed character, and gained so much in details that the people shuddered as they heard them. Indignation in the city rose to such a pitch that it was scarcely to be suppressed. I gave orders accordingly to the Provincial Commissioners and Intendants presiding over the Committee of Reorganization,* as soon as they had convicted the kidnappers now in custody, a large number, to punish them by martial law, that the wrath of the people might be appeased. I, at the same time, issued proclamations explicitly charging the people not to listen to these unfounded rumours, and directed an officer of the Committee charged with foreign business to inform the resident Roman Catholic priest, in writing, of the rumours that were in circulation. The priest, in reply, defended himself, and begged that measures might be taken to prevent any trouble. This was just after the festival of the 5th of the 5th moon.

Inquiry showed that the population had not abandoned their suspicions, and that people with nothing to do, from love of mischief, were working upon them to such an extent that a day had been fixed on which all the able-bodied men of the city were engaged to meet, and go together to the Roman Catholic establishment.

This project and many others being talked of, I at once directed the heads of the tithings, official and non-official, to issue notices to the people in their several districts, and to apprehend those who were spreading these rumours for mischievous purposes. The Prefect and Magistrate, at the same time, attended by a number of the gentry and *literati*, proceeded to the Roman Catholic establishment. The priest took them over all the rooms, into every corner of the buildings. They found nothing whatever out of the common, and it being thus clearly proved that there was no truth in the stories current, suspicion [so far as the Roman Catholics were concerned] began gradually to subside. Both in the city and suburbs, however, the people still continued in a state of alarm [on the subject of kidnapping], and fresh proclamations were therefore issued, and officers were privately sent out to patrol in all directions by day and night, with a view to restoring confidence. By these means, after the middle of the 5th moon, it was restored, and the Roman Catholics and people were as friendly as ever.

This is a full account of the measures taken during the last month with reference to kidnapping. I have received nothing in writing from Che-kiang to show whether kidnapping is going on in that province or not; but I have heard that some cases of the kind did occur the month before last in Anhui.

Now, the affair at Tien-tsin took place on the 4th moon, and why, in several provinces both north and south, there should have been several movements of the same nature and at the same time, is beyond my comprehension.

* Lit, the Committee of Supplementation, the members of which have been supposed to be bringing into order the affairs of the province since its recovery from the Taepings.

The space within the walls of the city of Nanking is of large extent. Its inhabitants are from all parts, and one-half of them are not natives of the place. This is an examination year, too, and there will be a great number of merchants and students assembled. These causes make strict surveillance difficult. As a precautionary measure, however, I am erecting guard-houses at all the important points and at the entrance of the market places in the several districts, stationed so that each may support the other in keeping watch and ward. The Superintendents of the Committee of Reorganisation will see that in the tithings door tickets are made for every house, and that the population is registered, and they will prevent this measure from being so carried out as to distress the people. All that will be required of every ten families will be to exercise such vigilance within their tithing that bad characters may have no place in which to bestow themselves. I have also directed an officer from the Committee of Foreign Trade to go to the English and French missionaries of the city and urge them civilly to move out of the way while the examinations were going on, that collision with the students might be avoided. The Protestant missionaries, occupying a house and chapel near the examination hall, which they rent of Chinese, have agreed to go away during the examination time; but the Roman Catholics whose new establishment in one street overlooks the Prefectural College and hall in another, declined to move on the ground that they had nowhere to go to, but they undertook to shut their gates and keep in doors during the examination. Fearing, however, that the students would be going to the place and having words with [the inmates], I have ordered the various officers of instruction to enjoin upon any students they may bring up, that everything that might produce disturbance is to be avoided. Thus it is to be hoped everything will pass off quietly.

As in duty bound, I add to my Report this account of the precautionary measures I have adopted.

Inclosure 9 in No. 35.

Notification issued by the Prefect of Nanking, dated June 10, 1870.

(Translation.)

THE Prefect hereby issues a notification for general information.

Whereas at the present moment there have been cases, both in the town of Nanking itself and in its neighbourhood, of drugs being used to stupify and kidnap people, there have been many arrests, and the Viceroy has ordered executions as a warning to criminals and to relieve men's minds. It came to my hearing that false reports had circulated that the Roman Catholic missionaries were implicated. An officer was accordingly deputed to make inquiries

The verbal deposition of the Rev. M. ("Kao"), is as follows:—"We missionaries love the people and hate the wicked kidnappers. If any of our disciples or foreigners really are implicated, let them on proof produced be arrested and severely punished," &c. According to this it is evident that missionaries are innocent in their work, and have nothing to do with the crime of kidnapping. Their evidence is trustworthy. I therefore notify to the people of the neighbourhood to be very cautious not to be excited by false rumours. With regard to the punishment of the evil doers, and the putting down of the crime, I have already a plan in my mind. As to kidnappers, I shall make no distinction or favouritism, whether they be Christians or ordinary people; they will be punished according to the enactments of the Criminal Code. After this notification, if anyone spreads false rumours, or puts up anonymous notices, you may depend upon it he is one of the wicked kidnappers who, shrouding himself among the people, stirs them up, and excites them in order that he may not be found out. I discovered that by my secret investigations. If such a person be taken, he shall be severely punished without mercy.

Obey, &c.

Inclosure 10 in No. 35.

Consul Medhurst to Mr. Wade.

Sir, *Shanghae, June* 30, 1870.

IN connection with the disturbances at Nanking, already alluded to in my despatches severally dated the 17th, 21st, and 25th instant, I have the honour to inclose a copy and

translation of a Proclamation issued by the Prefect of Nanking some ten days before the excitement had become general, and which attempts, although in but a clumsy fashion, to free the missionaries from the imputations of having been implicated in the kidnapping of children for unlawful purposes.

Your, &c.
(Signed) W. H. MEDHURST.

No. 36.

Mr. Wade to the Earl of Clarendon.—(*Received September* 23.)

My Lord, *Peking, July* 16, 1870.

IN my despatch of the 3rd July I had the honour to report that one of the victims of the massacre of the 21st ultimo was the Sister Louise, an Irishwoman, whose name had been Alice O'Sullivan. M. de Rochechouart officially informed me of the fact but a few minutes before the mail of the 3rd instant left.

It was my intention at first to limit myself to a formal communication of the death of the unfortunate Sister; circumstances, however, and in particular the slowness with which the Government was moving, decided me to make it the subject of a very strong remonstrance. Accordingly, upon the 9th instant, I addressed the Prince of Kung the inclosed despatch.

On receipt of the news of the massacre, Tseng Kwo-fan was, as I have reported, instructed by Decree to proceed to Tien-tsin. As Governor-General he resides at Pao-ting-fu, the capital of the province, not a hundred miles from Peking, and but the same distance from Tien-tsin. No reply was received from him for some three days. He then pleaded illness, and only reached Tien-tsin twenty days after the massacre. Cheng-lin, who was to relieve Ch'ung Hou at Tien-tsin, as Minister Superintendent of Trade, was ill when the Decree came out, and has been, at least, in no haste to leave Peking. He was at the morning levée, however, yesterday, and will, I suppose, now proceed upon his errand.

The Central Government, once that the Grand Secretary Tseng was desired to take up the Tien-tsin affair, appeared to think that it had done its duty. The Prince of Kung did, indeed, upon the 29th June, reply to a letter, with which M. de Rochechouart followed up the collective note of the 24th June, in satisfactory form. M. de Rochechouart sent me an authenticated copy of this reply, of which I inclose translation. But except this reply and the Decrees, of which copies have been already forwarded to your Lordship, one of which directed Ch'ung Hou to proceed to Europe, no sign of life had been given by the Central Government.

My despatch does not refer in so many words to this inactivity, but urges what, in my first interview with the Ministers of the Yamên after the intelligence of the massacre had reached me, I had earnestly pressed upon them as essential an entire change in the attitude of the Government towards the foreigner, if it would recover the confidence of the Treaty Powers in its engagements.

The Ministers Tung-Hsun and Mao Chang-hsi called on me, at my request, on the 10th instant, and, after going over the ground of my despatch, I told them that, although I should be glad to be able to tell Her Majesty's Government that it had in some way borne fruit, I did not in the least wish for a reply to it. The real answer must be in deeds, not in words.

Mao Ta-jên came again to see me upon the 15th, also at my request; but, beyond the issue of a strong circular to the Provincial Governments, I doubt much that anything has been done.

The Prince of Kung's sick leave will expire in two days, and his Highness' reappearance may be the signal for something like action.

The Minister Wewsiang's return, in about a month from this time, is also spoken of at the Yamên.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure 1 in No. 36.

Mr. Wade to the Prince of Kung.

Sir, *Peking, July* 9, 1870.

I HAVE learnt that among the unfortunate Sisters of Mercy who were massacred at Tien-tsin on the 21st ultimo there was one British subject, the Sister Louise, a native of Ireland. I knew her and had seen her but a short time before her departure from this to Tien-tsin, when I was visiting the orphanage at the Pei T'ang. There can be no doubt therefore, I regret to say, as to her personality. I have reported her murder to Her Majesty's Government, and I now write to communicate it to your Imperial Highness.

I must be pardoned if I take this opportunity of repeating some observations not wholly new to your Imperial Highness or to the Ministers of the Yamên. I shall not attempt to discuss the question whether the belief that the Sisters of Mercy stationed at Tien-tsin were in the habit of preparing drugs with the hearts and eyes of the infants received into their hospital was the sole cause of the terrible outbreak in which these unfortunate women were sacrificed. It is for the moment enough that, while this charge against them has been put forward to explain the violence of the mob concerned in the attack upon the French settlement at Tien-tsin, we learn, by our latest advices from the sea-coast, that the same cry is being repeated in various parts of the Empire, and, which is of far more importance, that the absurd story which an ignorant multitude might be excused for accepting, is credited as readily by the educated class. Local authorities have made it the subject of proclamations, and lettered men have gone so far as to attribute to the hateful practices which they are pleased to ascribe to foreigners, the drought afflicting one province and the inundations in another.

Now what is the truth regarding these Sisters of Mercy? They represent an institution founded in France some ten years before the downfall of the Ming Dynasty. They are of various nationalities and of all classes in society. Whether high or low, rich or poor, they have given up friends, home, and family for the sake of the self-imposed duty of ministering, without distinction, to their fellow-creatures in sickness and distress, but especially to young children, bereaved of their parents, or whom their parents are unable or unwilling to maintain. Not in China only, but in every country under the sun, hundreds of helpless infants are received annually into the Sisters' establishments to be brought up, if they live, as Christians, and to be buried as Christians, if they die.

Such is the occupation of the persons to whom there is imputed a degree of brutality towards the living and the dead, which we should scarcely dream of expecting in the most barbarous nations.

But is it possible to insist too strongly upon the danger to China by allowing such an imputation to remain unchallenged? If even lettered Chinese can believe such evil of the women whose lives are devoted to the alleviation of suffering, what better opinion can they entertain of any foreigner? and how is it possible that, holding such things true, they should regard the foreigner otherwise than as their enemy; and that, when opportunity offers, they should fail to deal with him as such? What guarantee, in a word, so long as the educated and uneducated alike give ear to charges at once so horrible and so ridiculous, what guarantee does any Government possess for the security of its subjects residing in this country? But to what course of action, if the security of its subjects cannot be adequately guaranteed, must every powerful State in Treaty relations with China at last be driven? Will it not be felt the duty of every such Power to afford to its nationals that protection which the Imperial Government cannot insure them? and will it be possible for any foreign Power to undertake the protection of its nationals without resorting to measures in which it will be humiliating to the Chinese Government to acquiesce, but which it has certainly not the strength to oppose?

Now the secret of averting a crisis so perilous to the Empire, lies not in the adoptions of this expedient or that, but in an entire change in the attitude assumed towards foreigners by the Government, Central and Provincial. The terrible news of the 21st of June will shock the civilized world. It is impossible as yet to predict the consequences of its effect not upon France alone, but upon all the nations of the West. A full measure of justice will be looked for, but the mere bringing to justice of the instigators of the riot of the 21st June, and of the chief actors therein, though it may stay any further demand so far as the case in question is concerned, will not suffice, in my belief, to restore to foreign States their confidence in the friendly professions of the Chinese Government. The Government will not fail to be told that, if it sincerely desire peace, it must prove its desire by addressing itself in earnest to the removal of those false impressions that everywhere possess the native mind, not only as regards these particular proceedings of the missionaries, which have been so grossly misrepresented, but in respect of the actual

status and lawful rights of foreigners residing in this country. The literati and the people must be made by their rulers to understand that the old assumption of universal supremacy on the part of China is a thing of the past; that the foreigner is not a devil or a savage, but the subject of a Government the equal of his own; that his officials are not consequently to be driven or rebuked as though they were the inferiors of the native authority; that the dignity of the Sovereign is not compromised by the admission of foreign Ministers into his capital, or by his representation abroad: nay! that without intercourse under such conditions, there is no safeguard against the rupture at any moment of friendly relations; that trade with foreign nations is not to the disadvantage of China; but that, on the contrary, it will supply her with those means of strength that will enable her to take her place among nations.

Until the importance of these considerations is duly appreciated both in the capital and in the provinces, I hold it vain to look for long continuance of peace, and as I have more than once ventured to remark in the present condition of foreign relations, peace broken with one power is broken with all; for all have wrongs, greater or less, to complain of. I need not dwell upon the consequences to China of a misunderstanding with all the world, but it is my duty to repeat that there is but one means of averting it. The hostility to the foreigner of the class whose lead the people follow, is due to its ignorance of the foreigner's real condition. To discomfort this ignorance, therefore, not by words only, but by its acts, if it would avert misunderstandings, must be the care of the Central Government, and I cannot refrain from adding that there is now no time to be lost.

I renew, &c.

(Signed) THOMAS FRANCIS WADE.

Inclosure 2 in No. 36.

The Prince of Kung to the Count de Rochechouart.

(Translation.)

THE Prince of Kung, &c., makes a communication to M. de Rochechouart, Chargé d'Affaires of France.

The Prince has already under this date written to inform M. de Rochechouart that by an Imperial Decree of the 30th day of the 5th moon, of the 9th year of Tung Chih (June 28th), the Provisional Governments had been instructed to give the most positive orders to the lower officials regarding the security of every place [open] either to foreign trade or missionary undertakings; and that by another, the Minister Superintendent Ch'ung had been specially commissioned to proceed to France.

The sad death of the French officers and subjects who were victims of the sudden outbreak [of the 21st June] is indeed deplorable. The Prince is greatly distressed to think that, after so many years of friendly intercourse between China and France, this unlooked-for event should have occurred.

By an earlier Decree, His Majesty had commissioned the Hou ("Marquis") Tsing, a senior guardian of the Heir Apparent, wearing a two-eyed peacock's feather, Grand Secretary of the Wu-Ying-Tien, Governor-General of Chih-li, to proceed to Tien-tsin to inquire into this affair. He will devote himself conscientiously to the disposal of this question. He will not fail to search for and arrest those really concerned in this ferocious outrage. He will sentence the murderers, without distinction of condition, according to law. The officials guilty of mismanagement will be, as a first step, handed over to the Boards concerned. The places of worship and public offices destroyed will be rebuilt.

The fate of the Sisters of Mercy (Nuns) killed was indeed pitiable, and the Prince hopes that M. de Rochechouart will have a list of their names made out, that compensation (*lit.* "comfort") may be duly considered.

The Chinese Government has felt much apprehension lest its friendly relations with France should be disturbed. It is for this reason that His Majesty has issued the Decree specially appointing the Minister-Superintendent of the Three Ports, Ch'ung, a Senior Guardian of the Heir Apparent, wearing the insignia of the first grade, and a two-eyed peacock's feather, a Lieutenant-General of the the Han-chün Division of the Bordered Red Banner, and one of the Vice-Presidents of the Board of War, to proceed with instructions to France, that evidence may thereby be given of the sincere desire felt by both Governments for a good understanding. The Tien-tsin affair was but a movement of the people excited for one day. It will not take long to dispose of it, and relations will be more friendly than ever.

The Prince, &c.

9th year, 6th month, 1st day (June 29, 1870).

No. 37.

Mr. Wade to the Earl of Clarendon.—(*Received September* 23.)

My Lord, *Peking, July* 16. 1870.

I HAVE the honour to inclose copy of a despatch from Mr. Lay announcing the removal from office of the Intendant of the circuit in which Tien-tsin stands, the Prefect of the Department, and the Magistrate of the district. The two latter, and especially the last official, are more particularly responsible for the maintenance of order. This is the first step taken by the Governor-General beyond the issue of Proclamations. No arrests have been made, and probably none will be made until the arrival of a body of troops, 3,000 strong, from Pao-ting-fu. The soldiery of Tien-tsin are, of course, of the people; and the more important of the rioters are said to have been men of the Fire Brigade, which is, I think, a sort of guild, and a specially dangerous section of the population known as the Hun Sing Tzû, or *omnium gatherum*.

Ch'ung Hou himself, not having executive powers, escapes responsibility, so far as the riot is concerned; but, if it can be shown that he declined to entertain petitions, he will certainly be denounced.

On re-perusing my long despatch upon the causes and character of the outbreak of the 21st ultimo, I find that I have dealt full leniently with the direct responsibility of the Central Government. It was apprized early in June by Ch'ung Hou that trouble was brewing; but it probably contented itself with a communication to the Governor-General Tsêng. He issued a circular, under authority of which the two men seized were decapitated.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure 1 in No. 37.

Acting Consul Lay to Mr. Wade.

Sir, *Tien-tsin, July* 14, 1870.

I HAVE the honour to inclose for your information, translation of a despatch received by me yesterday evening from his Excellency Ch'ung Hou, informing me that certain local officials have been suspended from office by the Imperial Commissioner Tsêng Kwo-fan (on whom I have just called) in consequence of the late murder of foreigners here.

I have, &c.
(Signed) W. H. LAY.

Inclosure 2 in No. 37.

Governor-General Ch'ung Hou to Mr. Lay.

(Translation.)

CH'UNG, Superintendent of Foreign Trade, &c., makes a communication.

The Superintendent received, on the 13th July, the following despatch from Tsêng, Governor-General of Chih-li, &c.:—

"It being necessary to suspend the various local officials who mismanaged the affair of the 21st of June at Tien-tsin from office, pending inquiry into the case, substitutes have to be appointed to act in their places.

"In the case of such matters as may require the use of the Tien-tsin Taoutae's seal, the Governor-General has to state that Ting Show-chang, whose name has been recorded as worthy of employment as Judicial Commissioner, and who has come in his suite to Tien-tsin, has been thought a suitable person for taking over the charge of the seal as Acting Taoutae, which he has been ordered to do.

"As regards the office of Prefect of Tien-tsin, the Governor-General has thought proper to direct Ma Sheng-wu, an official of the third rank, specially granted employment as a Taoutae for his services, and now Chief Magistrate of Chin-chow, who has accompanied the Governor-General to Tien-tsin, to assume its charge.

"These official changes have been reported to the Throne in a supplementary Memorial; and the Governor-General having, in addition, decided on deputing the

expectant Chih-hsien, Hsiao Shih-pên, to take charge of the Tien-tsin District Magistracy, orders have been conveyed to him to that effect through the Financial Commissioner, who has also instructed the Magistrate Hsiao to set out without delay for Tien-tsin, to take over the seals of office.

"These changes the Governor-General feels it his duty to communicate to the honourable Superintendent, and will trouble him to note and give them such publicity as may be required."

The Superintendent has accordingly to acquaint the honourable Consul with the above particulars.

A necessary communication.

To Mr. Lay, Her Britannic Majesty's Acting Consul.

Tung Chih, 9th year, 6th moon, 15th day. (July 13, 1870.)

No. 38.

Earl Granville to Consul Medhurst.

Sir, *Foreign Office, September* 23, 1870.

WITH reference to your despatch of the 27th July, inclosing a correspondence with the Municipal Council of Shanghae in regard to the nature of the assistance to be expected from Her Majesty's ships, I inclose, for your information, copies of a letter from Mr. Matheson, M.P., and of the reply which I have caused to be returned thereto.*

I am, &c.

(Signed) GRANVILLE.

No. 39.

Mr. Wade to Earl Granville.—(Received September 28.)

(Telegraphic.) *Peking, September* 5, 1870.

FOREIGNERS are still very uneasy at Tien-tsin. Several arrests have been made, but no one is condemned? Peking and the coast quiet.

No. 40.

The Secretary to the Admiralty to Mr. Hammond.—(Received October 1.)

(Extract.) *Admiralty, September* 30, 1870.

I AM commanded by my Lords Commissioners of the Admiralty to transmit herewith, for the information of Earl Granville, extract from a further despatch from Vice-Admiral Sir Henry Kellett, dated the 29th July, relative to the recent massacre at Tien-tsin.

2. The Vice-Admiral reports his arrival at that port; that he had been in communication with Mr. Wade, as well as with the French Chargé d'Affaires and Rear-Admiral Dupré, and that the apprehensions felt by Europeans were subsiding.

Inclosure 1 in No. 40.

Vice-Admiral Sir H. Kellett to the Secretary to the Admiralty.

(Extract.) *"Salamis," at Tien-tsin, July* 29, 1870.

IN continuation of my letter of the 21st instant respecting the outrages at Tien-tsin and my proceedings in consequence, I have the honour to request you will inform the Lords Commissioners of the Admiralty that I arrived at Tien-tsin on Sunday, the 24th instant, finding here the "Dwarf" and "Avon" gun-vessels, and Rear-Admiral Dupré with the "Aspic" (flag), "Scorpion," and "Flamme," small gun-boats. Her Majesty's gun-boat "Opossum" was passed at Taku, as well as the French sloop "Linois," both in observation of the forts, a description of the present condition of which, furnished to me by Commander May, of the "Opossum," I inclose.

* Nos. 25 and 26.

On arrival, I received a letter from Mr. Wade, Her Majesty's Chargé d'Affaires at Peking, of which the following is an extract :—

"Let me thank you, in the first place, and, through you, all those under your command, for the promptitude with which the safety of Her Majesty's subjects in the north of China has been cared for. The force at Tien-tsin effectually secures the community there against all danger. In Peking no precaution that I could ask you to take would in any way affect our position. It is therefore most satisfactory to be able to state that, although the Tien-tsin massacre and its alleged causes continue to be the talk of the people here, there has been throughout no word of an intention to interfere with the religious establishments, nor has any foreigner, whether belonging to these or to the Legations, been molested or insulted."

An interview with Mr. Lay, Her Majesty's Consul at Tien-tsin, tends to strengthen my belief that the excitement has greatly subsided, and that there is now little or no danger to be apprehended by Europeans. There is, of course, a feeling of uneasiness which will naturally remain for a considerable time, but communication with the native city has been resumed. Merchants are returning to Tien-tsin with their sycee to purchase goods, and Europeans passing through the streets have experienced no annoyance.

On the 25th instant I was visited by M. Rochechouart, the French Chargé d'Affaires, and Rear-Admiral Dupré.

Count Rochechouart expressed his opinion that all danger to Europeans was at an end for the present, and stated that he was now engaged in obtaining a reparation he considered necessary for the outrage of the 21st ultimo. He informed me that he had sent in an ultimatum in which he demanded, as a *sine quâ non*, the execution of three Mandarins, viz., the Che-foo or first magistrate, Chih-seen or deputy magistrate, and the Chentai or police magistrate, against all three of whom he can bring, he states, convincing proofs of complicity with and encouragement of the murderers. He remarked that he would have encountered no difficulty had he demanded the decapitation of even a large number of the mob, and he had been freely promised pecuniary compensation, rebuilding of the Cathedral, monuments to the deceased, &c.; but the execution of mandarins was a novel demand and the Chinese hesitate.

I should here state that I suggested to Count Rochechouart that the Chinese should, by every means, be put in possession of all the materials which tended to condemn the Mandarins, as, if they were executed without being condemned in their own judicial Tribunals, simply because it was demanded, I was of opinion that an error would be committed.

Count Rochechouart continued to inform me that, if his ultimatum were refused, he should remove his flag and subjects from Peking to Tien-tsin, and leave affairs in the Admiral's hands until he received instructions from home.

I told both Count Rochechouart and Admiral Dupré that I had not yet seen Mr. Wade, nor had I any means of knowing what decision he had arrived at, as to what was best to be done, that I was convinced in my own mind that any act of war committed without authority, and without considerable reinforcements from home, would entail a grave responsibility. I reminded Count Rochechouart that, in addition to his own countrymen, there were many hundreds of other nationalities whose safety must be insured, if possible, before any operations commenced, and that I could not approve of any such operations until sanctioned by the Governments of France and England, and we were considerably strengthened by both men and materials, as nothing could be more disastrous to our best interests than the smallest semblance of failure. Count Rochechouart then explained that there was no intention of doing more than to maintain a threatening attitude at present; and the conversation ended.

On the 27th instant Mr. Wade arrived from Peking, and at once placed himself in communication with me. He is evidently of opinion that the Peking Government is most anxious to redress this outrage in a fair and proper spirit, and there is no longer any apprehension of danger to Europeans. There is no doubt a certain feeling of disquiet and uneasiness which time only can allay, and I have reason to believe he will ask for two small vessels to be stationed here until affairs have settled down to their usual condition,—which I shall of course accede to. The "Barrosa" will also move from Shanghae to Che-foo, for the double purpose of maintaining the health of the crew, and of being placed in a more central position for carrying on the duties of Senior Officer of the North China Division.

Ch'ung Hou, a mandarin of the first grade, and Superintendent of International Trade, a personage of high rank, and who is associated with Tseng Kwo-fan in adjusting the present difficulties, paid me an official visit yesterday, and I shall return it, accompanied by my staff and the Commanders of the ships present, to-morrow.

I am not of course able to afford their Lordships as authentic information as will reach Her Majesty's Government through the Chargé d'Affaires, but I have collected all the particulars I could rely on, and trust the opinions I have expressed herein will meet their Lordships' approval. I am convinced that a firm attitude of the foreign Representatives, and the avoidance of any acts which may rouse the native populace, will insure the complete success of the efforts now being made to re-establish tranquillity and security.

Inclosure 2 in No. 40.

Commander May to Vice-Admiral Sir H. Kellett.

(Extract.) "*Opossum*," *at Taku, July* 24, 1870.

I CAN now give you an accurate account of the guns and men stationed here.

In the South forts there are about 300 men, five Dahlgreen guns, working on centre pivots, three long old 32-pounders, fifteen short 32-pounders, twenty 18-pounders, and a few small guns, really not worth mentioning.

In the North forts they have about 150 men, two 9-inch Dahlgreen guns, six short 32-pounders, twelve 18-pounders, and a few smaller guns, all old and carriages very rotten, so from the rear we could give them a pretty good shelling.

The North forts command the South.

No. 41.

Mr. Hammond to the Secretary to the Admiralty.

Sir, *Foreign Office, October* 1, 1870.

I AM directed by the Earl Granville to request that you will acquaint the Lords Commissioners of the Admiralty that it appears to Her Majesty's Government that it might be desirable at once to place at Vice-Admiral Sir Henry Kellett's disposal the body of Marines which it is intended should eventually replace the regiment of Infantry heretofore and at present stationed in Japan; and if it should suit the arrangement of the Admiralty to send them out in a vessel of war proceeding round the Cape or through the Suez Canal, such vessel might be at Sir H. Kellett's orders for the present as a reinforcement to his squadron; which might, perhaps, be further reinforced by another ship of war detached from the East India Station, if it can be spared.

Lord Granville will shortly communicate with the Board of Admiralty as to the instructions to be sent to Sir Henry Kellett.

I am, &c.
(Signed) E. HAMMOND.

No. 42.

The Secretary to the Admiralty to Mr. Hammond.—(Received October 4.)

Sir, *Admiralty, October* 3, 1870.

WITH reference to your letter of the 1st instant, I am commanded by my Lords Commissioners of the Admiralty to request you will state to Earl Granville that arrangements will be made for the despatch of Her Majesty's ship "Juno" before the end of the present month, viâ the Suez Canal, with a battalion of 300 Marines for China.

2. My Lords desire me to observe that a considerable time must elapse before the vessel will arrive at Hong Kong, as the monsoon will be unfavourable.

3. I am to add that the "Juno" will remain on the China Station to reinforce the squadron.

I am, &c.
(Signed) THOS. WOLLEY.

No. 43.

The Secretary to the Admiralty to Mr. Hammond.—(Received October 6.)

Sir, *Admiralty, October* 4, 1870.

I AM commanded by my Lords Commissioners of the Admiralty to send you herewith, for the information of Earl Granville, a copy of a letter from Vice-Admiral Sir H. Kellett of 25th July, and its inclosure from the commanding officer of Her Majesty's ship "Avon," respecting the praiseworthy conduct of Captain Steel, of the American ship "Manchu," during the outrages at Tien-tsin.

I am, &c.
(Signed) THOS. WOLLEY.

Inclosure 1 in No. 43.

Vice-Admiral Sir H. Kellett to the Secretary to the Admiralty.

Sir, "*Salamis,*" *at Tien-tsin, July* 25, 1870.

I HAVE the honour to inclose an extract from a letter I have received from Commander Tracey, of Her Majesty's ship "Avon," in which he describes the praiseworthy and judicious conduct of Captain Steel, of the American steamer "Manchu," during the late horrible massacres at Tien-tsin.

2. Captain Steel's efforts and arrangements were directed towards the safety of all foreigners; his cheerful and encouraging bearing, his untiring activity, and the sound judgment he displayed, have won for him the gratitude and admiration of all. All the ladies and children found an asylum on board the "Manchu," and were provided for entirely at his own expense.

3. Under these circumstances I have expressed to Captain Steel my best thanks and warm appreciation of his good offices; and I think it my duty further to bring him under the favourable notice of the Lords Commissioners of the Admiralty.

I have, &c.
(Signed) HENRY KELLETT.

Inclosure 2 in No. 43.

Commander Tracey to Vice-Admiral Sir H. Kellett.

(Extract.) "*Avon,*" *June* 29, 1870.

THE conduct of Captain Steel, of the American steamer "Manchu," has been most praiseworthy during the dreadful trial through which the residents here passed.

He armed his ship with guns from the merchant-ships in the river, and took all the ladies and children on board.

He also took an active part in the organization of patrols, and his cheerfulness and activity kept up the spirits of the people at the time of their greatest despondency. On the day of the massacre, and the following day, the chances of a general attack on the Settlement were very great; and the terror caused by the appearance of the mutilated bodies floating down the river can easily be imagined.

At such a time the encouragement given by the presence of a man like Captain Steel, and by the efficient arrangements which he made for the defence of his ship, cannot be overestimated.

No. 44.

The Secretary to the Admiralty to Mr. Hammond.—(Received October 5.)

Sir, *Admiralty, October* 4, 1870.

I AM commanded by my Lords Commissioners of the Admiralty to transmit herewith, for the information of Earl Granville, extract from a despatch from Vice-Admiral Sir Henry Kellett, dated the 8th of August, reporting the state of affairs at Tien-tsin; also that an uneasy feeling remains in the minds of Europeans, and that he had been present at the funeral of those recently murdered at Tien-tsin.

2. The Vice-Admiral further reports that there is now a vessel of war in every port of China, and that every precaution has been taken to provide an asylum for British subjects in the event of danger from the mob.

I am, &c.
(Signed) THOS. WOLLEY.

Inclosure in No. 44.

Vice-Admiral Sir H. Kellett to the Secretary to the Admiralty.

(Extract.) "*Salamis*," *at Che-foo, August* 8, 1870.

SINCE the despatch of my letter of the 29th ultimo, reporting the state of affairs at Tien-tsin, I have the honour to report that nothing definite or important has been done by the Chinese Government in the matter of apprehending and bringing to justice the perpetrators of the outrages of the 21st of June last, and that affairs remain very much *in statu quo*. An uneasy feeling remains in the minds of Europeans still, and I am of opinion that the temper of the Chinese population just now is not calculated to allay it. From all parts of China I learn that the natives agree in pronouncing the massacre to have been of a meritorious character, and to be worthy of imitation.

On the 3rd instant I went, at the invitation of the French Chargé d'Affaires, to the public funeral of the murdered Sisters of Mercy and others, which took place in the precincts of the ruined Cathedral. His Excellency Ch'ung Hou, the Imperial Commissioner, received the procession, which was formed of the French and English Representatives, myself, and the French Admiral, the Consuls, the Commanders and other officers of the various ships of war present, and nearly all the Europeans and Americans in the Settlement. The ceremony was performed by the Roman Catholic Bishop of Peking, after which orations were made by Count Rochechouart, Admiral Dupré, the Bishop, and finally, by Mr. Wade, our Chargé d'Affaires. The French speeches were denunciatory and significant, especially that of the Admiral. The few words spoken by Mr. Wade were without political allusion whatever. All passed off quietly, the town being garrisoned by some troops of the Prince of Kung and Tseng Kwo-fan, in addition to the soldiery usually stationed in Tien-tsin.

There have been no actual disturbances at any of the other ports, although occasional threats and inflammatory placards alarm the Europeans, and are, I fear but apathetically suppressed by many of the Chinese officials. I cannot consider the aspect of affairs at all satisfactory, and I shall watch with anxiety the progress of events for some weeks to come. Volunteer forces have been formed at Shanghae and at Hankow. I have sent the "Midge" to the latter port, as I consider the presence of a larger vessel than a gun-boat desirable there for the present.

There is a vessel-of-war now in every port of China, and every precaution has been taken to provide an asylum for our countrymen in the event of any danger from the mob.

All is quiet in Japan. From the Straits Division I have no news.

Mr. Wade having informed me, on the 4th instant, that the presence of a gun-vessel and a gun-boat at Tien-tsin was sufficient, I considered it unnecessary to remain any longer in the Peiho River, and therefore left, on the 6th instant, for this place, leaving the "Dwarf," "Avon," and "Opossum" there. The "Dwarf" will be recalled. The French Admiral also left the same day for Che-foo. The "Aspic," "Scorpion," and "Flamme," gun-boats, remaining at Tien-tsin. The "Asshelot," United States' steamer, was to leave on the 12th instant.

No. 45.

Mr. Hammond to the Secretary to the Admiralty.

Sir, *Foreign Office, October* 6, 1870.

I AM directed by Earl Granville to acknowledge the receipt of your letter of the 30th ultimo, inclosing a copy of a despatch from Vice-Admiral Sir H. Kellett, reporting his arrival at Tien-tsin and his communications with Mr. Wade, the French Chargé d'Affaires, and Vice-Admiral Dupré; and I am to request that you will state to the Lords Commissioners of the Admiralty that Lord Granville would suggest that Sir H. Kellett should be approved for the language he held to the French Admiral, as reported in his despatch.

I am, &c.
(Signed) E. HAMMOND.

No. 46.

Earl Granville to Mr. Wade.

Sir, *Foreign Office, October* 6, 1870.

SINCE the date of my despatch of the 15th of September, I have received your despatches of the 16th of July to the 17th of July, reporting proceedings up to that date, with reference to the massacre at Tien-tsin; and I have also received your telegram dispatched from Kiachta on the 26th of September, stating that all was quiet at Peking and the ports, though a feeling of uneasiness still prevailed at Tien-tsin.

I stated to you, by telegraph, on the 26th of September, three days after the receipt of your despatches, but before that of your telegram, that it was the desire of Her Majesty's Government that you should urge on the Chinese Government, if they wished to avoid serious difference with England, that it was absolutely necessary that they should provide for the protection during the winter, of British subjects and their property at Tien-tsin, and other places, after the necessary withdrawal, in consequence of the season, of the British naval forces. I informed you that Her Majesty's Government relied upon you for insisting, with firmness, on this demand, while avoiding any language which might be unnecessarily irritating; and I desired you, if you should entertain a doubt as to the sufficiency of Chinese protection, to warn British subjects that it was not to be relied on, and to offer them, with the concurrence of the Admiral, means of withdrawing to some place of safety. But I told you, at the same time, that you should hold the Chinese Government responsible for any damage done to British property during the absence of its owners. In order, however, that you might feel no doubt as to the extent of discretion imputed to you, and that it did not imply authority to adopt measures of direct hostility against China, I enjoined you on no account to sanction a British occupation of the Taku forts without orders from home.

It was a great satisfaction to Her Majesty's Government to learn by your telegram just received, that in the three months that had elapsed between its date and the date of the massacre, nothing had occurred, calculated to show that that tragedy was likely to be repeated in other parts of China, or to warrant the opinion, perhaps not unnaturally entertained on the spot in the first moments of alarm, that it indicated a determination on the part of the Chinese authorities and people to exterminate foreigners in general.

Doubtless the news of what had occurred at Tien-tsin has been much canvassed throughout China, and in judging of the present demeanour of the Chinese, which appears to have caused much anxiety to foreigners, it may perhaps not be unreasonable to attribute it in some degree, at least, to apprehension on the part of the former as to the consequences which may ensue from the massacre.

Such an outrage, indeed, can admit of neither excuse nor palliation; but perhaps some explanation of it, viewed as an isolated measure which it would appear to have been, may be found in the fact, sufficiently notorious to all persons connected with China, that both the authorities and the people have thought that they had reason to complain of foreign missionary establishments; and some catastrophe has long been anticipated as not unlikely to result from the interference of foreign missionaries in support of their converts, who have, it is alleged, been taught to look upon conversion to Christianity as releasing them from their obligations of submission to the local authorities.

The late attack appears to have been directed chiefly against Roman Catholic missionary establishments under French protection, and when the fury of the mob was expended on them, the Protestant missionary establishments, with few exceptions, and those being in the immediate vicinity of the French, appear to have been left unmolested, and to have continued so up to the present time.

As the case stands, Great Britain then is not the party principally concerned; she has no wrong to avenge as deliberately done to her own subjects, although it is much to be lamented that one of Her Majesty's subjects, associated with the French Sisterhood, in an institution under the protection of the French authorities, shared their fate. Whatever course, in the common and general interest, it might have been advisable to take in concert with France, if France had invited her co-operation, Great Britain is under no moral or international obligation to stand forth alone as the redresser of wrongs done to the subjects of a foreign Power, and for the purpose of defending and upholding missionary proceedings in a foreign country, carried on without the sanction of Parliament, and by which no general national interest can be subserved.

I have already instructed you to give your moral support to any reasonable application for redress which the French Government may make. If that redress is refused, it will be matter of further consideration for Her Majesty's Government, whether any, and if at all how far, material assistance may be given to the French Government to obtain it.

In any case Her Majesty's Government fully recognize the duty of affording efficient protection to British subjects in China; and, with this view, of providing in the ports of China an amount of naval force adequate for the protection of British interests, though not sufficient to warrant the assumption that an intention exists on the part of Her Majesty's Government that it should be employed in active hostility against the Chinese Empire. Vice-Admiral Sir Henry Kellett appears to have already at his disposal a sufficient naval force to admit of his providing for the safety of British interests at the several Treaty ports, and when the approach of winter compels him to withdraw the ships from the northern ports, he will have still larger naval means available for the protection of the rest. Her Majesty's Government have moreover considered whether a detachment of Marines could be stationed on shore at Tien-tsin and Taku during the winter, but it appears that such a measure would be attended with great difficulty, and would involve little short of military occupation with a considerable force of those places.

Such a measure is out of the question. We have no sure ground for anticipating, either on the part of the Government or people of China, measures of outrage against British subjects; and we have no complaint to urge against China which would justify an act of direct hostility against her. The only course therefore open to us is that which has already been prescribed to you by telegraph, and which I have recapitulated at the commencement of this despatch, namely, the withdrawal during the winter months from the frozen-up ports of British subjects who might be unwilling to remain there.

Her Majesty's Government have recourse to such a measure with much reluctance, and are not insensible that it is attended with a certain degree of risk, namely, that of leading the Chinese Government to draw conclusions from it, which, however unwarranted, might prove dangerous to the maintenance of amicable relations with China.

On the other hand, however, the measure may not be unattended with good results. There is no reason to suppose that the Chinese Government have any deliberate purpose to quarrel with this country; and, to judge from your report, they are looking forward with no small apprehension as to the course which the Western Powers may be induced by the massacre at Tien-tsin to take; and in this state of feelings on their part no better test can be applied to their ability to controul the local authorities and populace throughout China, than the course which they may pursue when it is distinctly brought before them that, if they do not controul both, they will be held responsible when the return of spring reopens the Gulf of Pechili and the Peiho River to the British naval forces.

You will learn from the inclosed copies of letters to the Board of Admiralty that measures will at once be taken to place at Vice-Admiral Sir Henry Kellett's disposal a body of marines intended eventually to replace the regiment of infantry now stationed in Japan, and also the cautionary instructions which will be given to the Admiral for his general guidance. These are in substance the same as those which were long since issued for the guidance of naval officers in the Chinese seas; and I have only to state to you, in conclusion, that Her Majesty's Government rely not only on your prudence and firmness when communicating with the Chinese authorities, but also on your earnest co-operation with the Admiral for the support of the great British interests which have grown up in China.

I am, &c.

(Signed) GRANVILLE

No. 47.

Mr. Hammond to the Secretary to the Admiralty.

Sir, *Foreign Office, October* 6, 1870.

I ACQUAINTED you in my letter of the 1st instant, by direction of Earl Granville, and for the information of the Lords Commissioners of the Admiralty, with the wish of Her Majesty's Government, that the body of Marines destined eventually to replace the Infantry regiment in Japan should be at once placed at the disposal of Vice-Admiral Sir Henry Kellett, who might further, if consistent with other arrangements of the naval service, receive a reinforcement of one or two additional ships.

I am now to inclose, for the information of the Board of Admiralty, and for confidential communication to Sir Henry Kellett, a copy of an instruction addressed to Her Majesty's Chargé d'Affaires at Peking for his guidance at the present time; and, in doing so, I am to request that the Admiral may be reminded of the views of Her Majesty's Government as to the course to be observed by British naval officers in China for the protection of British interests, as set forth in the Earl of Clarendon's despatch to Sir

Rutherford Alcock of the 28th January, 1869,* which was communicated to the Admiralty on the same day, and in my letter to you of the 19th of the following June.

The general purport of those instructions and of that letter was, that Her Majesty's naval forces are only actively to be employed in China for the protection of British life and property when actually imperilled by acts directed against them by Chinese authorities, or by the violence of the Chinese populace which those authorities might be unable or unwilling to controul; and although it is not expressly stated, yet it is clearly to be inferred from the tenor of the instructions that it would be consistent with their spirit and with the policy of Her Majesty's Government, that the Senior Naval Officer on the spot, if satisfied that an attack on the British settlement at any of the ports, and specifically at Shanghae, was imminent, should disembark and maintain on shore, till the danger was passed, a body of Marines, which, however it would be desirable, if possible, to relieve daily from the ships, so as to avoid the appearance of a foreign occupation.

The second principle to be observed by the Admiral is, that when immediate danger to British life and property may have passed away, a British naval force is not to be employed by its own isolated action and without the concurrence or co-operation of Chinese authorities to obtain redress for wrongs actually perpetrated. Such redress must be sought from the Central Government of China through Her Majesty's diplomatic Representation at Peking, and if it is withheld, it must rest with Her Majesty's Government alone to determine how it should be obtained. But the Admiral should clearly understand that Her Majesty's Government do not intend to cancel or in any way to modify the authority already given by my letter of the 19th June, 1869, to Her Majesty's naval force in China to co-operate with the Chinese authorities for obtaining redress for injuries done to British subjects.

I am, &c.
(Signed) E. HAMMOND.

No. 48.

Earl Granville to Mr. Wade.

Sir, *Foreign Office, October 7*, 1870.

WITH reference to my telegram of the 26th September, which appears to have reached Kiachta on the 28th, and to my despatch of the 6th instant, respecting the removal, if necessary, from Tien-tsin and other places inaccessible during the winter to Her Majesty's naval forces, of any British subjects who might wish to withdraw to some place of safety, I have to state to you that you should take care, in the case of such withdrawal, to have the value of any property in houses, furniture, or merchandize that British subjects may leave behind them duly registered, so that there may be assured data for any claim that may eventually have to be made on the Chinese Government for property destroyed. I am told, however, that as a general rule the merchants at Tien-tsin have been in the habit at the approach of winter of reducing the stock in their warehouses, if not clearing it off altogether.

You will be careful not to give any encouragement to their taking a different course during this emergency.

I am, &c.
(Signed) GRANVILLE.

No. 49.

Earl Granville to Mr. Wade.

Sir, *Foreign Office, October 7*, 1870.

IN your despatch of the 3rd July, you mention that a British subject named Alice O'Sullivan, born at Clonmel on the 1st December, 1836, was among the Sisters of Mercy murdered at Tien-tsin on the 21st June, being designated among the Sisterhood, according to your despatch of the 16th July, as Sister Louise. You appear from your letter to Prince Kung of the 9th July, inclosed in that despatch, to have been acquainted with her, and to have seen her but a short time before her departure from Peking for Tien-tsin.

You did perfectly right in calling Prince Kung's attention specifically to the case of

* See "Correspondence respecting the Attack on British Protestant Missionaries at Yang-chow-foo, August 1868." Parliamentary Paper, China, No. 2 (1869), page 76.

Alice O'Sullivan, and in taking advantage of the opportunity to impress upon the Prince in strong terms the gross injustice and absurdity of imputing to this Sisterhood, zealously engaged in works of charity, crimes of such an odious character as those which served as a rallying cry for their murderers.

Her Majesty's Government entirely approve of your having pointed out to him that not only would the Chinese Government be held bound to mete out a full measure of justice to the criminals, but that it would also, if it sincerely desired to maintain friendly relations with foreign nations, set itself in all earnestness about disabusing the popular mind of the false impressions which it had conceived, and take most decided measures for the personal security of all foreigners residing in China.

As regards Alice O'Sullivan herself, I should wish to be informed as soon as possible whether she was registered as a British subject or whether she held herself to be exclusively under French protection while associated with the French Sisterhood.

I am, &c.
(Signed) GRANVILLE.

No. 50.

Mr. Wade to Earl Granville.—(*Received October* 9.)

(Telegraphic.) *Peking, September* 26, 1870.

PROPOSED punishment of those connected with massacre not satisfactory. British, Prussian, American, and Russian Representatives remonstrate in a collective note. All quiet at Peking and Tien-tsin.

No. 51.

Earl Granville to Sir E. Thornton.

Sir, *Foreign Office, October* 10, 1870.

I INCLOSE herewith, for your information, copies of a letter and of its inclosures from the Board of Admiralty,* respecting the praiseworthy and judicious conduct of Captain Steel, of the American steamer "Manchu" during the recent outrages at Tien-tsin; and I have to instruct you to communicate the same to the United States' Government, and to request that the thanks of Her Majesty's Government may be conveyed to Captain Steel for his exertions and good offices on the occasion in question.

I am, &c.
(Signed) GRANVILLE.

No. 52.

Mr. Wade to the Earl of Clarendon.—(*Received October* 10.)

(Extract.) *Peking, July* 21, 1870.

THE Prince of Kung, accompanied by the Minister Tung Hsün and Mao Chang-hsi, paid a visit yesterday to all the Legations. This was ostensibly for the purpose of apologizing to the several Representatives for the trouble laid upon them by late events at Tien-tsin. His Highness accordingly abounded in acknowledgments; also in assurances regarding the future.

I have myself seen no change in the bearing of the people here, except that on occasion they honour one with a stare of curiosity more marked than is common. No foreigner either, whether belonging to the Legations or religious establishments, has so far been molested or insulted. Still the Tien-tsin news keeps the city on the *qui vive*. Kidnappers, or persons accused of kidnapping, are arrested; and, if the reports made to the French Legation be correct, some of them, when seized, have immediately ejaculated "Jesus! save me." This would suggest that here, as at Nanking, there has been an influence at work to produce an impression unfavourable to the Christians by connecting them inseparably with the perpetration of a horrible crime. This influence I mentioned, in my despatch of the 16th instant, has been assigned by some to

* No. 43.

persons disaffected to the Dynasty, and I have heard it, since I wrote, more particularly ascribed to Mahometan Agents. We have as yet little but rumour to trust it.

I have urged, without ceasing, upon the Yamên the necessity of taking steps to convince the public mind of the absurdity of the charges brought against Christians, native or foreign, in respect of the bewitchment of children, their abduction, or the mutilation of their corpses. In particular, in an interview with the Ministers the day after the news of the massacre reached this, I pointed out to them the extreme danger of allowing this fearful outrage to be complicated by a second tragedy in the city, where there is a large "asile" for the reception of infants. With four-fifths of the population Manchu, the Central Government can have no difficulty, through the Chiefs of the mixed civil and military organization described as the Eight Banners, in making known its pleasure upon any matter of this kind, and I have reason to think that precautions were taken to secure the Roman Catholic establishments against attack.

Notwithstanding the assurances I have received regarding the issue of a Circular by the Yamên, I have still pressed hard for a Decree. I am given to understand that, on receipt of the first memorial of Tseng Kwo-fan, such a Decree will be published. This would do something in the Empire, but, as I have also represented, the desired effect will not be produced by one such Decree alone.

Locally, I was at first against a Proclamation, for two reasons. First, the Government believes in much that we think absurd; and, even supposing the framer of a Proclamation to be so much before his time as to agree with us, he would not dare to inform the Chinese community at large that he differed with them, lest he should be exposed to a suspicion of *barbaro-manie*, hurtful alike to the barbarian and himself. Hence these Proclamations will scarcely ever be free from some expression or other that admits the justifiability of the popular beliefs to which we object; whether the deprecation of ill-will to the foreigner be *bonâ fide* or not, foreigners will almost invariably infer bad faith from such expressions; and upon this inference on their part follow remonstrances and protests which must undo much, if not all, the good the paper might have produced. Secondly, I feared that, even if perfectly unobjectionable in language, a public notice might attract an attention to religious establishments (and though of humbler exterior than those of the Romanists, the Protestant missions of England and America have some four or five in Peking) which, at a crisis like the present, they are better without.

I have found, however, in the last few days, that if the feeling of the people against Christians, as identified with kidnappers, is not increasing, the belief prevails among Protestant missionaries that it is; and I learned, only the day before yesterday, of the seizure of a Protestant Chinese, a young Manchu, well known to the missionary to whose congregation he belongs, on a charge of kidnapping, for which there was no other ground than that he had put his hand on the head of one of a group of children whom he wanted to pass in the street. This is the act by which kidnappers are supposed to bewitch children; and he was immediately carried before an authority, who, however, immediately released him. It is remarkable that, at the watch-house near which he was arrested, the crowd, on learning his nationality, expressed surprise that a Manchu should be so engaged, until he admitted, or some one observed, that he was "tsai chiao" (of the religion). This was taken at once as sufficient explanation.

I have therefore returned to the question of public notices at the Yamên; and I have supported my appeal by the production of a letter from the Governor-General Tseng Kwo-fan to Ch'ung Hou, copy of which the latter Minister had communicated to Mr. Lay, and that gentleman had just forwarded to me. I inclose translation of this paper. I infer from its form that it was written to be shown to foreigners for the purpose of conciliating them. The passage, to my mind, of chief importance in it, is that suggesting that the Throne be moved to issue a Decree that shall disabuse the people of their misconceptions regarding Christianity in general, and the crimes lately attributed to Christians in particular. The form of Christianity specified is that of the Lord of Heaven, that is, Roman Catholicism; the foreign nations specified are England and France; but a Decree such as the latter contemplates, it is scarce necessary to remark, would alike advantage all creeds and nationalities.

Inclosure in No. 52.

Ch'ung Hou to Acting Consul Lay.

(Translation.)

CH'UNG, Superintendent of Foreign Trade, &c., makes a communication.

On the 14th July the following despatch was received from Tsêng, Governor-General of Chih-li, &c. :—

"With reference to the affair of the 21st June, the honest settlement of which the Governor-General has been directed by His Majesty to come to Tien-tsin to effect, in conjunction with your Excellency, it appears that the hostilities were engendered by the fact that certain scoundrels, kidnappers, incriminated the Roman Catholic Establishment in their proceedings, as well as by the talk of eyes scooped out and hearts cut out to form medical ingredients. Nor were these rumours current among the simple and ignorant alone, for the upper and learned classes all joined in the same cry. Resentment thus was the product of the accumulated suspicions, and developed itself into a serious calamity. It is essentially necessary that the value of these rumours should be tested, and then it will be possible to distinguish the amount of truth and wrong-doing from their opposites, and manifest the justice of any action taken. These popular rumours have not been confined to Tien-tsin. In former years Hunan and Keangsi, and more recently Yang-chow and T'ien-mun, as well as Ta-ming and Kwang-ping, in this province,—in all these places handbills have been distributed and placards exhibited, the contents of which were either that the Roman Catholics kidnapped both sexes, or that they scooped out eyes and cut out people's hearts ; or, again, that they were given to the seduction of women: and, although the matters that had to be settled at these different places were brought to conclusion after due discussion, yet a complete exposure of the falsity of these handbills, and the amount of truth contained in these placards, has never been made known.

"The Governor-General has, since his arrival in Tien-tsin, gone into the smallest details of the charge of kidnapping brought against the Catholics ; and although Wang-san acknowledged his crime, there were times when he retracted it. The account he gave of himself (*i.e.*, of his birthplace) does not tally with that given of him by Wu-lan Chên, and there is no evidence at all to show that he was in the employ of the Roman Catholic Establishment.

"As to the males and females, about 150 in number, that were discovered in the Yen-tzu-t'ang, each one, and all of them, when questioned, state that they have been Roman Catholics for a long period of time; that they were placed in the institution by their relatives to be brought up; that they had certainly been neither kidnapped nor inveigled.

"In the matter of the scooping out of eyes and the cutting out of hearts, the whole affair is but an idle rumour without a tittle of evidence to support it. The popular suspicion had been aroused by the fact that, during the 4th and 5th moon, the bodies of some of those who died in the hospital were buried two or three in one coffin. It was noticed also that, during the year, the hospital had been closely shut up with excessive secrecy; what was going on inside could not be divined, and the populace consequently became still more alarmed and surprised, and false, unfounded rumours began to be heard on every side. Ten thousand voices joined in the cry; but it was, after all, but visionary talk.

"When the Governor-General was entering the city of Tien-tsin, the people stopped his chair, and hundreds of them presented petitions on the subject; and he himself minutely [afterwards] examined them as to what real evidence there was for the alleged scooping out of eyes, and cutting out of hearts ; but none of them could point to a single actual case. After inquiry it has been found too, that there is no instance, either in or out of the city, of people who had lost children, having lodged a complaint to that effect.

"The general bearings of the case have been brought to light ; but where these rumours first originated, it has been impossible to discover.

"The Governor-General means then, as a first step, to join your Excellency in reporting to His Majesty the general nature of this affair, in order that the rumours now bruited may be allayed.

"As for the killing of children, the destruction of dead bodies, and the mutilation of the living, to get the materials for the concoction of medicines, such acts would not be perpetrated by the cruellest of savages. How, then, can the natives of England, France, or of any of the great outer States, be capable of such barbarities. Let the matter be looked at in a rational point of view, and it will be at once seen that such a practice cannot exist.

"Roman Catholic natives may, perhaps, kidnap by fraud or force, and such like, and

use the name of the religious establishment to ensure their own protection; such cases cannot be prevented, but their punishment, as a matter of course, should be inflicted on the criminal native Roman Catholic, the whole religious society must not be held responsible.

"The religion of the Lord of Heaven (Roman Catholic) inculcates the practice of virtue; and our Sovereign's canonized ancestor, the 'Benevolent Emperor (K'ang-h'i),' tolerated it for many years. The Jen-tzù-t'ang, too, in its general working, resembles the Foundling Hospitals and Alms-Houses, and had for its special object the shelter and relief of the poor. Its yearly expenses were not inconsiderable. Their benevolent intentions being repaid by insulting imputations of cruelty, the anger of foreigners may well be aroused.

The Governor-General intends to request His Majesty the Emperor to send such instructions throughout the different provinces of the Empire, as will cause the fact to be made known, that the contents of the notices and placards at the places where they were formerly issued, respecting the mutilations of the living by Roman Catholics, were all false accusations of the innocent. It will thus be plain, that the foreigner has been wronged in this matter, and the prejudices of the gentry and people will effectually be dispersed. All will hear of this by its publication through the Empire: that so the misunderstanding existing between foreigners and Chinese being entirely done away with, the hostility between the people and Catholics may gradually smooth itself away.

"The Governor-General has to communicate to your Excellency these remarks, for your opinion and advice, and has to request you to be good enough to note and reply to them, that action may be taken as necessary."

The Superintendent has accordingly to communicate the above, for the information of the honourable Consul.

A necessary communication to Mr. Lay, Her Britannic Majesty's Acting Consul.

T'ung-chih, 9th year, 6th moon, 16th day (14th July, 1870).

No. 53.

Mr. Wade to the Earl of Clarendon.—(Received October 10.)

My Lord, *Tien-tsin, July* 30, 1870.

FOR various reasons, one being that I expected the Naval Commander-in-chief to visit Tien-tsin, I had resolved some days ago to run down here. Rumours to which I have alluded in my despatch of the 21st July, however, detained me. I was anxious not to move before the appearance of the Decree which was to be issued as soon as Tsêng Kwo-fan's first memorial should be received, and this Decree, I hoped, would be followed up by an outspoken proclamation of the local authorities in the capital.

A Decree was issued on the 24th, of which I inclose a translation. I propose to comment on this document elsewhere. It disappointed me, although it will not be wholly useless; and I pressed once more for a proclamation. The Ministers of the Yamên communicated the draft to me of one of which I approved even less than the Decree. However, I ascertained that the Decree was doing some good, and, notwithstanding the alarm felt by our missionaries in consequence of the arrest reported in my above despatch, and other incidents of more or less disquieting character, I found from other sources that the native Romanists, of whom there are large numbers in Peking, had been for ten days past gaining heart. One notable proof of the restoration of their confidence was the return of the builders employed by the Sisters of Mercy upon some addition to their Asile. These men had all quitted their work in alarm when the news of the Tien-tsin massacre first reached us. I resolved, therefore, to wait no longer, and leaving Peking on the evening of the 25th I arrived here on the morning of the 27th.

The people were perfectly civil everywhere, although, as I approached Tien-tsin, I noticed the change of demeanour which Mr. Adkins had reported. I have ridden once alone through the city and two of the suburbs, and find the people everywhere the same. They speak when they are spoken to without sullenness, but their looks are not pleasant. They betoken, however, to my eye, rather a feeling of misgiving than of hostility.

The Admiral had come up the river on the 24th. I had therefore the pleasure of meeting him at once. The Minister Superintendent, Ch'ung Hou, also called on me in the course of the day.

I have, &c.

(Signed) THOMAS FRANCIS WADE.

Inclosure 1 in No. 53.

Decree published at Peking on the 23rd July, 1870.

(Translation.)

TSENG KWO-FAN and Ch'ung Hou have presented a Memorial, in which they report generally upon the incidents of the outbreak at Tien-tsin, as understood by them after investigation.

In the matter of the bewitchment and kidnapping of men and women by people of the religion (Roman Catholics), they have closely inquired* into this, and they report that, although Wang-San did† admit that he gave drugs to Wu Lan-chên, and even now at one time admits and at another retracts his admission, there is no proof that he was acting at the instance of the religious establishments.

As to the children of the Jên Tzu T'ang (the "Asile de la Sainte Enfance"), there were above 150 found there, male and female, and they all declare that they were sent by their families to be subsisted in the Asile, and that they were not kidnapped at all.

To come next to the question of scooping out eyes and cutting out hearts, Tséng Kwo-fan made personal inquiry into this as soon as he arrived at Tien-tsin, but the people were unable to point out any case as having really occurred. He found, further, when he asked about it, that neither in the city nor the suburbs of Tien-tsin had any complaints been made [to the authorities] regarding the disappearance of children.

There had been [he remarks] a number of placards posted upon this subject in the provinces of Hu-nan and Kiang-si, in Yang-chow, and Tien-mên, also in Ta-ming and Kwang-ping in the province of Chih-li, which had occasioned a good deal of talk (*lit.*, "stories confusedly passed on more than one"), and after the cases had been disposed of in the different localities particularized, no explanation‡ was offered regarding the truth or falsehood of these placards. The people of Tien-tsin, in consequence, hearing the substance of these papers constantly repeated, believed in their truth, and their suspicions were confirmed by the fact that the doors of the foreign religious establishments were kept closed from year's end to year's end; that under the Chapel and the Asile there were vaults, these being for the airing of the buildings and the storage of coal and charcoal; that the sick under treatment did not come out; that helpless persons of both sexes were taken in and kept there, as also persons dying of disease. [Hence] about the end of the 4th and beginning of the 5th moon, when the religious establishments were implicated in the case of a kidnapper who bewitched the people with drugs, and the people saw Consul Fontanier fire at an official, a cry was raised by ten thousand mouths at once.

The truth regarding the scooping out of eyes, the cutting out of hearts, and the mutilation§ of people, is that the stories told of such things are for the most part idle and malicious, and without a tittle of proof.

Such is their report.

We had sent repeated instructions to Tsêng Kwo-fan to deal with this case in concert with Ch'ung Hou, without favour or affection; and, as from the report of the Governor-General and his colleague, it is now made plain to every one that it had its origin in the suspicions of the people of Tien-tsin, awakened by idle rumours, [its publication] will tend to dissipate suspicions, should any be generated by similar rumours in other localities throughout the Eempire [*lit.*, in places in the other provinces should there be rumours of this kind, the suspicions of the multitude may also be somewhat dissipated].

As to the bewitching and kidnapping of children of either sex, the law against such practices is already severe; but, as in the length of time [that has elapsed since its enactment], kidnappers may have come to make light of it, we command the Board of Punishments to recommend the addition of a degree of severity in all cases in which these brutal ruffians are brought up for trial; and we command the Provincial Governments to inflict on all villains guilty of drugging and kidnapping children of either sex, the full penalty that the Board of Punishments may recommend, in order to the prevention of such cruelty.

From its being the place where good order ought pre-eminently to exist, it is still more fitting that the criminal classes should be searched out in our capital; and we command the Office of Gendarmerie to keep constantly on the look-out, and, in the event of villains of the stamp referred to above being discovered, at once to seize and hand them over to the Board of Punishments to inflict on them the penalty aggravated as above.

Respect this!

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* Rigorously, probably with torture.

† *Sc.*, when first apprehended.

‡ Their truth or falsehood was not so discussed as that it should be understood.

§ Mutilation without causing death; cutting and maiming of the living.

Inclosure 2 in No. 53.

Decree published at Peking on the 23rd July, 1870.

(Translation.)

THE following Decree has been received:—

"Tseng Kwo-fan has memorialized us, requesting that as Chang Kwang-tsao, Prefect of Tien-tsin in Chih-li, and Lin Chie, District Magistrate of the same place, in their management of the collision between the populace and religionists, neglected before its commencement to take proper measures for its prevention, and also failed, after it was over, to arrest with proper alacrity the guilty parties, these two officials should be dismissed from office and subjected to punishment.

"We command that Chang Kwang-tsao and Lin Chie be, both of them, at once dismissed from office, and handed over to the Hsing Pu for punishment.

"Let that Board take note of the above."

Respect this!

No. 54.

Mr. Wade to the Earl of Clarendon.—(Received October 10.)

My Lord, *Tien-tsin, July 30, 1870.*

I HAVE the honour to forward to your Lordship various papers relating to the movements of the French navy and our own having reference to the late events at Tien-tsin.

These are—a despatch from Mr. Lay announcing the arrival of a French corvette and two gun-boats on the 15th of July;

A despatch from Mr. Lay covering a Memorandum, also inclosed, on the state of affairs up to the 19th of July, prepared for submission to Vice-Admiral Sir H. Kellett;

A despatch from Sir H. Kellett, dated Che-foo, 16th of July, which reached me on the 20th;

My reply to that despatch, dated the 21st of July.

I have, &c.

(Signed) THOMAS FRANCIS WADE.

Inclosure 1 in No. 54.

Acting Consul Lay to Mr. Wade.

Sir, *Tien-tsin, July 15, 1870.*

I HAVE the honour to report the arrival, last evening, at Taku of the French corvette "Linois" and the gun-boats "Scorpion" and "Aspic."

The "Linois" remains outside the Taku bar. The two gun-boats have just arrived here and are anchored off the foreign settlements.

I have, &c.

(Signed) W. H. LAY.

Inclosure 2 in No. 54.

Acting Consul Lay to Mr. Wade.

Sir, *Tien-tsin, July 19, 1870.*

COMMANDER WALKER, R.N., of Her Majesty's ship "Dwarf," called on me this afternoon, and requested me to give him a short Memorandum on the state of affairs at Tien-tsin, for the use of Vice-Admiral Sir H. Kellett, K.C.B., whose arrival at Che-foo has been announced. As the steamer is to leave in a short time, I have only had time to write a very short Memorandum, a copy of which I have now the honour to inclose for your perusal.

I have, &c.

(Signed) W. H. LAY.

Inclosure 3 in No. 54.

Memorandum on the State of Affairs at Tien-tsin.

FROM the 21st June to the 8th July Tien-tsin was in a state of very great excitement, and the presence of those of Her Majesty's vessels of war which arrived very quickly had hardly any effect in quieting this excitement. The people thought England would join with France, and that summary vengeance would be inflicted. I gave the Chinese authorities to know distinctly that these vessels came for our own protection only, and that while we deeply sympathised with the French, and regarded the outrage as most detestable, yet nothing would be done by our vessels unless under special orders from Her Majesty's Chargé d'Affaires.

This seemed to quiet the authorities and people. Meanwhile, Mr. Wade's despatch to the Tsung-li Yamên had very much weight. Tseng Kwo-fan arrived here about ten days ago, and very promptly issued Proclamations which tended to repress the excitement, and he also suspended the Taoutae, Foo, and Heen. He warned the people that they would be severely punished if they molested foreigners. His Proclamations and Mr. Wade's despatch had a wonderful effect in quieting the people. His Excellency Tseng Kwo-fan is still investigating, and will, I doubt not, find out all who are to blame in this most dreadful affair. He is much feared by the people, and so long as he has charge Tien-tsin will be quite quiet.

There is nothing to fear now in Tien-tsin, so long as we keep two or three vessels of war here; the people are quiet—trade is now uninterrupted. Merchants are returning to Tien-tsin with their sycee to purchase goods, and confidence will soon again be restored.

We have nothing to fear now but the blackguards who infest a village opposite the Settlement, and they are strong in numbers. These men were in the massacre of the 21st June, and until a vessel of war arrived I had a guard of 500 soldiers placed round the village day and night.

The present menace from this village will, I trust, be removed in due time. We are perfectly safe at present.

I regret the meagreness of this report; but I have had, as you are aware, but little time to prepare it, and I am anxious it should go forward to Sir Henry Kellett as soon as possible.

I trust you will assure the Vice-Admiral that, with our present force, there is nothing to fear here.

(Signed) W. H. LAY, *Acting Consul.*

Her Britannic Majesty's Consulate, Tien-tsin, July 19, 1870.

Inclosure 4 in No. 54.

Vice-Admiral Sir H. Kellett to Mr. Wade.

Sir, *"Salamis," at Che-foo, July* 16, 1870.

I HAVE the honour to acknowledge the receipt of your despatch of the 27th ultimo, and to acquaint you of my arrival at Che-foo this day.

The news of the atrocities at Tien-tsin reached me at Yokohama on the 8th instant, and on the following day I left for Che-foo, calling at Nagasaki to intercept the Shanghae mail to Japan, and thus obtain your despatches.

Your Excellency is, of course, aware that the gun-vessels "Dwarf" and "Avon," and the gun-boats "Opossum" and "Grasshopper," have been stationed at Tien-tsin. The "Midge," gun-vessel, will arrive here to-day or to-morrow, and I have sent the "Barrosa" (the largest ship on the station except the "Ocean") to Shanghae, where the "Zebra," sloop, is already stationed. My flag-ship is ordered to Nagasaki, from whence a force from her, or the ship herself, can readily be sent for if required, and the "Adventure," troop-ship, is at Yokohama ready to embark the 10th Regiment, if their presence in China should become necessary.

I shall, however, be glad to learn from your Excellency, as soon as possible, that your own safety is insured; what aspect the affair has now assumed; and in what way I can best forward your views.

I shall remain at Che-foo until I receive your reply.

I have, &c.

(Signed) HENRY KELLETT.

Inclosure 5 in No. 54.

Mr. Wade to Vice-Admiral Sir H. Kellett.

Sir, *Peking, July* 21, 1870.

I HAD the honour to receive last evening your despatch dated Che-foo the 16th instant.

Let me thank you, in the first place, and through you all those under your command, for the promptitude with which the safety of Her Majesty's subjects in the north of China has been cared for. The force at Tien-tsin effectually secures the community there against all danger. In Peking no precaution that I could ask you to take would in any way affect our position. It is, therefore, most satisfactory to be able to state that, although the Tien-tsin massacre and its alleged causes continue to be the talk of the people here, there has been throughout no word of an intention to interfere with the religious establishments, nor has any foreigner, whether belonging to these or to the Legations, been molested or insulted.

I propose to run down to Tien-tsin on or about the 23rd instant, and should circumstances render it in my opinion desirable that I should confer with you, I shall cross to Che-foo for that purpose.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

No. 55.

Mr. Wade to the Earl of Clarendon.—(Received October 10.)

My Lord, *Tien-tsin, July* 30, 1870.

I HAVE the honour to forward copy of a reply received from Mr. Low, Minister of the United States, to my letter acknowledging the services rendered by American citizens at Tien-tsin. A copy of my letter was inclosed in my despatch of the 16th ultimo.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure in No. 55.

Mr. Low to Mr. Wade.

Sir, *Legation of the United States, Peking, July* 15, 1870.

I HAVE the honour to acknowledge the receipt of your note of the 13th instant, inclosing an extract from a despatch from Her Majesty's Acting Consul at Tien-tsin to you, expressing on behalf of the British residents of Tien-tsin, gratitude to Captain Steele of the steamer "Manchu," and to Mr. Beebe, the representative of the firm of Russell and Co., agent of the steamer, for their prompt and humane action in placing the steamer at the disposal of the foreign residents as a place of refuge when it appeared that their lives were in danger from a native mob.

It is a source of gratification to know that my countrymen, during those days of anxiety and peril, obeyed the dictates of civilization and humanity, and extended such aid as lay in their power to all the residents of Tien-tsin irrespective of nationality.

I shall take pleasure in making known to the persons mentioned in Mr. Lay's note your appreciation of the humane and generous action.

I am, &c.
(Signed) FREDERICK F. LOW.

No. 56.

Mr. Wade to the Earl of Clarendon.—(*Received October* 10.)

My Lord, *Tien-tsin, August* 1, 1870.

IN my despatch of the 30th July I inclosed a translation of the Imperial Decree issued on receipt of Tseng Kwo-fan's first report of his proceedings at Tien-tsin.

This Report is so far satisfactory that it contradicts certain serious misstatements affecting the Christians with some positiveness. The children found in the Sisters' Orphanage, it says, were there for their own good, and had not been kidnapped. No children at all had been kidnapped in or about Tien-tsin. The stories about the removal of hearts and eyes from the corpses of childsen are utterly unsupported.

On the other hand it speaks of Wang San, the Roman Catholic, at whose instance a kidnapper, arrested two days before the massacre, declared he had been acting, as having admitted, though he subsequently retracted the statement, that he had drugged this kidnapper.

This, I fear, will be found to be an attempt to excuse the torture of Wang San, who, I hear, has been very cruelly dealt with.

The latter part of the Memorial, as quoted in the Decree, is intended to screen both authorities and people. The explanation of that popular suspicion to which the Roman Catholics became obnoxious may be accepted as *bonâ fide*, but the assumption that the outbreak of the 21st June was the affair of that single day, that the people were roused to action by seeing M. Fontanier fire upon one of their officials, is simply audacious.

The mob who did act, I can have no doubt, might be classified in three sections. Some did believe in the kidnapping and the connection of the Romish establishments with the crime; some were moved by general hatred of the foreigner; some, and these were the foremost, were moved by a love of disorder and the hope of plunder. But the movement had been for some days preparing.

The Prefect and Magistrate, the authorities, who should have controlled the mob, did nothing, so far as I can ascertain, to that end; and by a decree of the same date, the 23rd of July, they have been committed, on the application of Tseng Kwo-fan, to the Board of Punishments. He had been at Tien-tsin since the 9th of July, and I attribute this step, his delay in taking which is as yet incomprehensible, to M. de Rochechouart's arrival at Tien-tsin, or more possibly the knowledge that the French Admiral was at Che-foo.

As your Lordship is aware, I have declined to subscribe to the opinion that the Government was at the bottom of this movement, or that these men in particular were the promoters of the discontent felt by the people. Their ignorance considered, it does not surprise me either, that, under the circumstances, they should have sympathized with the people. But if the half of the fearful stories told of their conduct as magistrates since the 21st of June, be true, death would scarcely be a sufficient punishment for their brutality.

The charge on which they are now committed is simply neglect of duty before, and want of energy since, the massacre. This is purely formal, but at the same time it may be made to cover any extent of crime; and if their extortion of confessions and like offences be proved against them, I do not expect that they will ever leave the Board of Punishments, except to die.

There is another person of high official rank, though of no local responsibility, who is accused of having taken a very prominent part in the direction of the mob on the 21st. This is Chên Kwo-jin, a native of Hu Peh, formerly a rebel. For his services against his ancient friends, after he returned to his allegiance, he was given the title of Ti-tu, or Commander-in-chief of a provisional army. It is stated that he was adopted as a son by Tseng Kwo-fan, under whom he was probably serving, but this is stoutly denied by the Yamên. In any case, his career has never been other than disreputable, and he has been at once the shame and the terror of the Government. He was at Peking in 1867, at the time when the Nien-fei so nearly cut off Mr. Burlingame on his way down here, and some fear appears to have been then entertained lest he should return to his old calling. He was well known in the capital as a leader of bullies and ruffians, ten thousand of whom, it is said, would turn out at his command.

There seems no doubt that this man was at Tien-tsin during the disturbance of the 21st, and as little that he acted as a leader therein. He had been here, if our information is correct, since the beginning of June, and I understand from M. de Rochechouart that he can be traced from Nanking to Chinkiang, and thence North. The statement of Mr. Stanley, an American missionary, whose note on the subject is inclosed in my despatch of this date, shows how generally his name had become associated with the

massacre within a hundred miles of Tien-tsin but a few days after the outrage. The despatch of Mr. Hughes, inclosed in my despatch of this date, is also curious evidence in the popular belief in his connection with the affair. If once brought to trial, I hold his condemnation inevitable, but, although I believe him to be at this moment in Peking, his arrest will be matter of great difficulty, if not utterly impossible.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

No. 57.

Mr. Wade to the Earl of Clarendon.—(*Received October* 10.)

My Lord, *Tien-tsin, August* 2, 1870.

I HAVE the honour to forward copies of despatches from Mr. Hughes, Her Majesty's Consul at Kiu-kiang, and Mr. King, acting as Consul at New-chwang, regarding the effect produced at both places by the news of the Tien-tsin massacre.

It is gratifying to be able to believe that none of these three ports is threatened by any danger, and not less so to feel assured that, in the event of any alarm, the coolness and discretion of the gentlemen in charge of British interests there may fairly be counted on.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure 1 in No. 57.

Consul Hughes to Mr. Wade.

Sir, *Kiu-keang, July* 13, 1870.

THE late deplorable massacre at Tien-tsin has not, up to the present time, led to any serious consequences in this neighbourhood. There is no apparent design on the part of any section of the people here to imitate their countrymen in the North. The acts of the latter seem, however, to be regarded as meritorious rather than otherwise. In the various versions of the affair which circulate among the people, foreigners are always made out to be the original wrong-doers. Among the absurd rumours which prevailed before authentic details reached us, the natives reported that General Chên, an ex-rebel, killed several foreigners at Peking for attempting to force their way into premises reserved for Imperial use. This officer's name was mentioned in connection with other reports equally untrue, as was also the name of Tseng Kwo-fan. The circumstance that such a report found currency seems to indicate that, according to the popular view, an attack on foreigners would be, as a matter of course, supported by some of the military authorities.

Though we are apparently free from danger for the moment, I think it my duty to recommend that we should not be left, as we have been for months past, without the protection of a vessel of war. The people are not unfriendly, but they are credulous and easily prejudiced against foreigners. We can never have perfect confidence where a Mandarin of the rank of Taoutae is capable of encouraging the belief and endorsing it officially, as our present Taoutae did in September 1867, that a drought was caused by foreigners bathing in one of the mountain streams. At an adjoining port it is well known that last year a large mob, fortunately unarmed, and without special encouragement from the authorities, insisted on forcing their way into a house and satisfying themselves as to the truth of a report that the British Consul and his friends were eating children.

Should calumnious reports against foreigners spread here and receive encouragement from persons of influence, the results might be terrible. Steamers seldom remain for more than one or two hours, and in the absence of a steamer an attack might be organized so as to render escape impossible.

Though believing in the necessity of the presence of a vessel of war, I do not mean to suggest that the vessel stationed here should always be British. The lower class of the Chinese do not distinguish between nationalities, and even the higher classes do not generally trouble themselves about geographical distinctions. It may be possibly a knowledge of this fact which has partly influenced other ports in delegating to Great Britain the task of protecting commerce on the Yang-tsze.

This state of things seems neither just nor expedient, and I venture to suggest that an arrangement might be made between the Senior Naval Officers of all the Treaty Powers to portion among themselves the duty of protecting the Treaty ports. Should you approve of this view, perhaps you will be pleased to bring it under the notice of Admiral Sir H. Kellett, and in the meantime I trust that a British gun-boat may be spared for the protection of this port.

Your, &c.
(Signed) P. HUGHES.

Inclosure 2 in No. 57.

Acting Consul King to Mr. Wade.

Sir, *New-chwang, July* 8, 1870.

ABOUT the 26th of June the Chinese of this port received news of a collision between the Tien-tsin populace and the French and Roman Catholics. On the following Sunday we had it more than confirmed by a sailing-vessel. I got no official information of any sort. The Chinese had then passed through their first excitement when we began ours.

The United States' Consul and myself decided not to accede to the expressed wish of the foreign residents for a meeting, as the Chinese were most excited—hearing and making the wildest reports. We, however, after making all the inquiries we could, and after a conference with the Taoutae, issued a joint circular informing the foreign residents of the needlessness and the danger of all alarm, but giving certain simple measures for defence, consisting of a rendezvous, and a signal in the improbable event of an attack. The great fear felt by us both was lest the excitement of the people, acting on the fear of the foreigners, and through them on their servants (some of whom had ominously left), should act and react on each other till they caused a panic. Now, after passing through two nights, during which some expected a treacherous attack, we are all somewhat reassured. We have only a pilot schooner in port, and nothing else can be looked for with certainty. No man-of-war having as yet appeared to see if we are in any danger or not, I have written to the Admiral, and to the Senior Naval Officer at Che-foo by courier, and to the Senior Naval Officer at Nagasaki (the first opportunity offered me being by a sailing-vessel to that port) for the visit of some vessel of war, informing, of course, each of these officers what I have done.

If we can keep calm I apprehend nothing, but the people are so excited that they cannot be depended on in the event of any bad news, while I and every one are utterly ignorant of the course events are taking.

Your, &c.
(Signed) WALKER ED. KING.

No. 58.

Mr. Wade to the Earl of Clarendon.—(Received October 10.)

My Lord, *Tien-tsin, August* 2, 1870.

IN my despatch of the 16th July I inclosed copy of one to Mr. Lay, in which, while heartily commending his conduct as Acting-Consul at Tien-tsin, I combated his opinion that the proceedings of the 21st June were as much directed against all foreigners as against the French, and in particular the Sisters of Mercy.

He has forwarded me a number of reports, prepared for the most part upon the evidence of their converts by different missionaries, and I feel it due to Mr. Lay to submit to your Lordship his despatch and these inclosures. I add one from a missionary at Che-foo which has been sent me by Mr. Mayers.

I must, at the same time, observe that these documents do not incline me to accept the conclusion which I condemned,—that had the cry not been the Sister's Hospital, there would have been some other cry. At Nanking it is true there are no Sisters of Mercy, but there is a cathedral and large Romanist establishments, and, except the Jesuit fathers, and a few Protestant missionaries, there are no European residents.

The excitement has been produced everywhere out of the belief that infants were

being kidnapped for unholy purposes. Who appealed to this belief and for what object we have yet to discover.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure 1 in No. 58.

Acting Consul Lay to Mr. Wade.

Sir, *Tien-tsin, July* 15, 1870.

I HAVE the honour to acknowledge the receipt of your despatch of the 2nd instant, and I beg most respectfully and heartily to thank you for the kind way in which you express approval of what service I rendered during our late troubles.

At the same time I would say I did no more than my duty demanded; and, while I I am very grateful to you for your recommendation to the Secretary of State, I feel I am quite repaid by your kind acknowledgment.

The statements made in my despatch of the 28th June as to the cry being directly against foreigners, and not particularly against the Romanists, were founded on much hearsay evidence from Chinese, and also from foreigners. Since I reported, I have had the evidence of all taken down. It is very voluminous, but I cannot help this.

I make no remark on this evidence, but simply leave it to you to say, after perusal, whether I had or had not grounds from this evidence (which is guaranteed as the words of sober, steady, and trustworthy men) to found the opinion given in despatch of the 28th ultimo.

This evidence would have been sent to you some time ago, but I was without a copyist in the office, and the pressure of work has been very great since the 21st of June.

I took advantage of the passing through on his way to Shanghae of my brother, who very kindly gave me great assistance in copying most of the evidence, or this despatch must have been further delayed.

The Chinese names of those that made depositions I have, but gave them a promise not to reveal them (they seemed to be in great dread of being seized by their own authorities, if it were known that they had said a word), except at your request, and confidentially.

I have, &c.
(Signed) W. H. LAY.

P.S.—The size of the correspondence inclosed is so great that I send it to you as one inclosure for convenience of perusal.

W. H. L.

Inclosure 2 in No. 58.

The Rev. W. N. Hall's Report of the Narrative of a Chinese (A) who witnessed the Massacre of three Russians at Tien-tsin.

Tien-tsin, July 4, 1870.

THE man, ——, resides on the east of the river, the rendezvous of large numbers of the parties implicated in the recent violent outrages against foreigners. He is a man of known integrity of character. During the past fortnight I have had several conversations with him, and have received from him voluntary testimony, of which the following is an epitome:—

For some weeks before the outbreak witness had heard of a contemplated attack on the French Church. In the first instance, the rumours involved no reference to designs on the lives of foreigners, and the only motive assigned for the threatened destruction of property was that the beneficial courses of the Fêng Shin, which were considered to be seriously obstructed by its existence, might thereby be effectually restored. It was not until a few days before the attack that he heard of any intention to kill foreigners, and when this was first spoken of in his presence the French residents, more commonly the Tien Chu Chiao, or Roman Catholics, were alone mentioned as the victims to be sacrificed. At this time the talk about Fêng Shin had given place to wild stories respecting the alleged abduction by Romish emissaries of native children, and even of adult persons, who were said to have been put to death, and to have been used for various medical compositions and applications. These absurd rumours were diligently and rapidly circulated, so

that at length he found it impossible to go anywhere without hearing them adverted to. The cry then began to be raised, "Death to all foreigners, and the entire demolition of foreign property!"

On Sunday, the 19th June, the members of the fire brigades in the locality of ————'s residence appeared in the streets in great force, and ostentatiously published their hostility to foreigners and their deliberate decision to massacre the whole foreign population. He did not think that this threat would be carried into execution, as he had heard such announcements in former years and knew that they had not been verified; but he became so alarmed by manifestations around him that he retired from the neighbourhood and, accompanied by his aged mother, made his way to some relations residing in the country. His friends advised him to remain with them until certain that the popular commotion had subsided; but on Tuesday forenoon, 21st June, he ventured to return to his home in the hope that the crisis was past. When drawing near to the Ho Shên Miao, he observed that the main thoroughfares were thronged with armed men, and that the utmost disorder prevailed. He also heard oft-repeated cries of "Death to all foreign devils!"

Taking a circuitous route through comparatively unfrequented paths and alleys, he shortly reached his own house, which stands some yards distant from the main street in that district. He ascended the roof of his dwelling for purposes of observation, and had scarcely taken his position there, when he saw the mob madly rushing towards three chairs, which were being hurriedly borne in the direction of the foreign settlement. The chairs were seized within a stone's throw of his house, and the deafening cry was raised, "Here are foreigners! Kill the foreigners!" The rabble began to strike the chairs, and the occupants jumped out, exclaiming, "We are not French; we are English." He distinctly heard the reply, "That does not matter; we will kill all." He saw the rioters seize a foreign lady and strike her with their swords. Two foreign gentlemen attempted to rescue her, but they were immediately struck down, and to appearance instantly killed. The lady was then subjected to brutal indignities: she was stripped of her clothing, her person was mutilated, a finger was cut off for the sake of the ring which she wore, and other barbarities perpetrated. The bodies of the lady and gentlemen were then taken and buried on the plain; but he afterwards heard that they were taken up at dark and thrown into the river. He noticed a number of Yamên runners on the scene, but did not see a single official. These men never attempted to interfere with the proceedings of the mob, except in one instance, when they advised that the foreign settlement should not be attacked on that day. Their whole deportment was that of men who approved of the acts of the crowd. He solemnly declares that the guilty offenders claim all the leading officials, with the exception of Ch'ung Kung Paou, as heartily encouraging this attack on foreigners. The last-named official he pronounces to be in great disfavour with the people, because of his known disposition to save foreigners from these violent and murderous assaults. He testifies that, up to yesterday, Sunday, July 3, thousands of men were parading the streets armed, and eager to complete the extermination of foreigners, and that nothing but the arrival of gun-boats has prevented them from visiting the settlement. He most confidently asserts that any foreigner going to the east of the river would be instantly killed, and he knows that the same thing holds good with regard to various parts of the city and its suburbs. He knows the rioters to be exultant at the approach of Tseng Kwo-fan's troops, and to be constantly declaring that a large proportion of the soldiers are in sympathy with their hateful designs, and will unite with them in seeking their accomplishment. They parade the streets, calling for volunteers to aid their dark crusade, and openly and loudly ask, "What of these gun-boats? the foreign devils are few; we are many, and even though some of us be killed, we can soon overcome them by force of numbers." As an incitement to co-operation, they remind the people that the deeds of the 21st of June were followed by needed and abundant rain, and that this circumstance clearly indicates the will of heaven to have them prosecute to its consummation the object on which they have set their hearts.

Other details were furnished by this witness, but the above paragraph comprises the more important items of his calmly expressed testimony.

(Signed) WILLIAM N. HALL.

To W. H. Lay, Esq.,
Her Britannic Majesty's Consul, Tien-tsin.

Inclosure 3 in No. 58.

The Rev. W. Hodge to the Rev. W. Hall.

(Extract.) *Tien-tsin, July* 6, 1870.

THE Rev. N. B. Hodge has been residing for some weeks at Chu Chia-tsai, in the north-eastern portion of the province of Shan-tung. In a letter received from him a few days ago, and dated June 26th, I find the following paragraph :—

"We had heard not only from Tien-tsin friends, but likewise, through widely circulated rumours in this district, that there was no small disturbance in Tien-tsin, owing to the damaging reports in circulation concerning Roman Catholics. On Friday last Hu returned from San Lin-chia, and heard that, on the 23rd of the Chinese month (last Tuesday), there was to be a grand struggle with the foreigners, to be succeeded by a second on the 26th (Friday)."

With regard to the foregoing extract from Mr. Hodge's letter, I would remark that the man, Mr. Hodge's informant, is one of our native assistants, and is considered to be a cautious, reliable person. San Lien-chia, the place where he heard the rumour which he reported to Mr. Hodge, is a large village situated in the north-eastern portion of the province of Shan-tung, and distant from Chi-nan-fu about 160 li. We regard it five days' journey from Tien-tsin by rapid travelling and long stages. I suppose it might be reached in four days. He would leave this place early on Friday morning, in order to join Mr. Hodge at Chu-chia on that day. This leaves only two days between the tragical recurrences at Tien-tsin on the Tuesday and Hu's departure from San Lien-chia on the Friday. It is thus all but impossible that the news of the actual events at Tien-tsin on Tuesday could have arrived at San Lien-chia before Hu's departure on Friday. Moreover, the tenor of Mr. Hodge's letter is that the struggle with the foreigners was spoken of not as an accomplished fact, but as an event which was expected to transpire in virtue of some premeditated and publicly announced scheme. This fact, taken in connection with other similar intimations from widely separated points, seems to possess considerable significance.

Inclosure 4 in No. 58.

Statement of Mr. Hall's Christian B.

B. FURTHER says that, before the riot, he was told by (Lu-hsin-chuen) a "hsin-tsai" (bachelor) that there had been a meeting of a few literary men at the Yamên connected with the "Wen-hsiue" (the temple of Confucius), when a paper was prepared having reference to the "yao-yen" (rumours) and presented to the Mandarin. This fact he also heard from others as a more indefinite rumour. The witness believes that the origin of all the trouble must be found here. His reasons for this belief are—

1. That this meeting preceded the issue of the obnoxious proclamation by the Fu.
2. That the closing of the native schools followed at once.
3. That all the fire-guilds—there are forty-eight old ("hou-hsei") besides many more recently established ("tsu-sui")—the principal distinction is, that the hou-hwei alone have a right to fees from the public funds (Tsien-hang), have literary men, *i.e.*, scholars with degrees, at their head.
4. That the "i-min" (volunteers, a force which originated at the time of the Taeping rebellion) have also as their chiefs, men with literary degrees (a list of these, as is also the case with all the fire-guilds, being kept in the Hsien Yamên); that these i-min are legally privileged to possess and bear arms; that they formed the armed portion of the crowd on Tuesday, the 21st June; that their collecting at the sound of the alarm employed by the fire-guilds is proof positive of a previous agreement to do so; and that such an agreement must have been the work of their leaders, who again can hardly be supposed to have acted without the knowledge and consent of other literati.

The literati who waited upon the Lan-sy were few in number—of course it would not need many—but he has no idea as to who they were. In Tien-tsin there is a Shen-sy (notable) named Chang-chi-pa, at present, formerly the Hsie-tai (Commandant) of Taku, a red button, and very wealthy. He is a Mahometan, and, from his position, and the large number of his followers, very influential. Many members of his family have degrees, some obtained by purchase. This man was seen to be specially active in the attack on the

Consulate. The murder of M. Chalmaison and his wife and the plunder of their house, was the work of Mahometans alone.

The Mahometans are now in the constant habit of meeting outside the west gate and elsewhere, and witness seriously fears a Mahometan rising.

The adherents of the man Chang-chi-pa have long been notorious in the city as first and foremost in all ("tseng hang tui sy"). He himself does not appear in these matters, but when cases come before the officials it is known that his influence is exerted to shield others.

The Chiang-hang, Cho-hang, Teu-hang, &c., in fact, almost all the Corporations by which money is squeezed out of the people, have Mahometans at their head, it having often been the case in past days that a Buddhist or other religionist has been foully put out of the way, in order to make way for them.

Inclosure 5 in No. 58.

The Rev. J. Lees and the Rev. W. Hall to Acting Consul Lay.

Sir, *Tien-tsin, July* 6, 1870.

AS there is a strenuous effort now being made by the Chinese authorities to produce the impression that the late fearful outbreak of popular violence was unpremeditated, was immediately occasioned by the impetuosity of the French Consul, was solely directed against French subjects, and more especially against Romanists, and, as such, an effort, if successful, may by-and-by, not only have an injurious effect upon the interests of the missions with which we are connected, but might even affect the safe and equitable settlement of these troubles; we have thought it well to address you officially upon the subject, and to put in writing several particulars with which we have already made you acquainted, but which, perhaps, might be overlooked for lack of documentary record. We do not propose to add much in the way of remark. Our duty for the present, at least, will have been discharged when we have thus recalled your attention to what we believe to be important facts.

1. We beg to remind you that it was well known for some days previous to the massacre that there was a plot of some kind against foreigners; that although many of the injurious rumours relative to kidnapping, &c., were more particularly connected with French Romanists, the threats held out were by no means directed only against them; that a fortnight previous to the outbreak, a lady member of one of the Protestant missions was so much alarmed by the gestures and language of the people, that she did not dare subsequently to visit the city as heretofore; that on the return of Mr. Lees from Peking on the 13th ultimo, he found the anti-foreign feeling so strong as to have awakened general alarm among the converts of all the Protestant missions; that, on Friday the 17th, Mr. Lees (in the absence of his colleagues) had a long conversation with you upon the subject, and especially with reference to the obnoxious proclamation issued by the Fu, which well-informed natives even then confidently predicted would lead to riots; that you advised Mr. Lees to lodge an official complaint relative to this proclamation with you, and also to apply for a counter-proclamation as a measure of precaution, in case the public excitement should not abate; that the very same day it was found that threats had been uttered with reference to the new hospital premises just purchased by the London Mission, and that it was not possible to find workmen courageous enough to undertake the needful repairs; that Mr. Lees accordingly applied for the protective proclamation as before agreed upon on Saturday morning (the 18th); that offensive demonstrations were made at the East Gate Chapel of the London Mission on Sunday afternoon (the 19th), the shout being raised, "They are killing a man in there," and a riot averted probably only by the cool self-possession and good temper of one or two native Christians; that on the same day stones were taken up threateningly as the Rev. Mr. Turnock, Mrs. Turnock, and a friend were returning from a chapel on the east of the river; that Mr. Lees saw you again on the Monday, to represent the extreme urgency of the case; and, finally, that on the Tuesday morning we both waited upon you for the same purpose, having just received from a number of our most trusted native assistants renewed warning of the imminence of the danger, and the necessity for immediate action.

2. We beg to say that the facts brought out in the evidence we have already had the honour to place in your hands, prove that, whatever may now be said, the animosity of the mob, with rare exceptions, was far from being directed against the French alone. This is shown—

(1.) By the indiscriminate and consecutive destruction of all the Protestant chapels, eight in number, including the extensive premises of the American Board ; this destruction being as complete as the bitterest rage could make it.

(2.) By the careful inquiry made for the missionaries, both at the chapels and at the London Mission Hospital.

(3.) By the ill-treatment of many of our converts, all of whom seem to have been marked men, and to have been persecuted, beaten, and plundered accordingly, while no less than eight or ten of the more well-to-do among them have had their houses pulled down, and been robbed of everything they possessed.

It is further shown—

(4.) By the inutility of the appeal made by the unfortunate Russian victims to the pity of the people, on the ground of English nationality ; and—

(5.) By the loudly-expressed resolution of the mob after they had completed their horrid work at the hospital of the Sœurs de Charité, to come down to the settlement and burn the hongs.

3. We dare not conceal our conviction that these deplorable events have had official recognition, even if they have not had official authority. This conviction rests upon the following, among other grounds :—

(1.) The popular excitement must, of course, have been well known to the authorities, yet no steps were taken to quell it.

(2.) On the contrary, the Proclamation issued by the Fu and Hien, of which complaint was made before the outbreak, were of the most incendiary character.

(3.) The presentation to the Fu, upon the issue of these Proclamations, of testimonials consisting of " a complimentary umbrella," and a tablet with the inscription ' The people's living Buddha," and his acceptance of these (so reported, the testimonials have been seen by trustworthy natives).

(4.) No notice was taken of your application for the issue of counter-Proclamations, protective of foreign life and property.

(5) The rioters have notoriously claimed openly the sympathy and approval of all the local officials except his Excellency Ch'ung Kung-pao, who has, from his supposed complicity with foreigners, become the object of intense popular hatred, being nicknamed " foreigner " and " Romanist," and who has had his Proclamation insultingly defaced.

(6.) The language and conduct of the Chêntai as reported among the people.

(7.) The fact that, at least in some instances, as for examples in the demolition of the premises of the American Mission, and in several threatened attacks upon the London Mission Hospital, soldiers were prominent actors.

(8.) The various fire guilds (" huohui ") and volunteer companies ("i-min "), all have as their heads literary men, whose names are enrolled in the Yamêns, and it is impossible to believe that these men would venture to take an active part in a movement which they knew was opposed to the wishes of the officials.

(9.) Up to the present date, a fortnight after the riot, there is no reason to believe that one serious effort has been made to seize and punish any of the murderers, although a large number of foreign disciplined troops are in the pay of the Mandarins.

4. The share taken by the literati in these atrocities may be inferred.

(1.) From the positive admission made by one of their number to a native whose evidence you already have, that some days before the riot a deputation of this class waited upon the Mandarin in charge of the Wew Hsue (the Lan tsz) and presented a paper to him having reference to the "yan yeu."*

(2.) From the fact that the Proclamation of the Fu Magistrate before adverted to, and the general closure of the native schools, which added so much to the general excitement, soon followed.

(3.) From the intimate connection existing between the literati and the fire-guilds and volunteer companies, consequent upon these bodies having graduates at their head; it being inconceivable that these organizations could act with such evident unity of purpose unless their leaders had so willed, and equally inconceivable that their leaders would have ventured upon such action unless they had known that their literary brethren generally sympathised with them.

5. Not less important are the evidences continually accumulating that the entire affair was no sudden outbreak, but deliberately planned.

Among these we may name—

(1.) The mob was summoned to its bloody work by the gongs of the fire-guilds; and when the principal acts of violence were accomplished, the guilds were in like manner ordered to disperse by the usual recall (" hau-ling ").

* Rumours.

(2.) On the sounding of the fire-gongs, in place of the members of these guilds seizing heir fire-buckets, &c., as would ordinarily be the case on the giving of such a signal, there was a universal rush to arms, and spears, swords, and sticks, were everywhere seen.

(3.) It is known that on the Tuesday and Monday previous to the massacre the guilds were assembled in various districts, and especially upon the east of the river, in eager debate, and threats loud and bitter were uttered that all foreigners should be slain.

(4.) Several foreigners were expressly warned; in one or two cases the statement having even been made of the form in which the riot was to break out, viz., the burning of the French cathedral and hospital. As you may remember, you yourself informed us of this rumour early on Tuesday morning. A still more curious indication of the popular knowledge of the plot is afforded by the experience of an English gentleman who resided near the hospital, and who was astonished to find on Monday evening that his landlord, who lived next door, had suddenly bricked up a communication formerly existing between the two houses, and which was intended for use in case of fire.

(5.) A catechist belonging to the London mission, who had been spending some time in the country, returned on the evening of Thursday, the 23rd June. Mr. Lees saw him on Friday morning. He reported that at Hsing-chi, a market town on the canal about 200 li from Tien-tsin, he had been arrested by the people, who told him that there were Proclamations out at Tsang-chên which spoke of trouble with foreigners at Tien-tsin, and required the people to bring all suspected Romanists to the yamêns for examination as being concerned in kidnapping. The man got away through the intervention of friendly shopkeepers in the neighbourhood; but the incident is suggestive, as it is hard to see how news of the events of Tuesday could have reached this district the succeeding day.

(6.) Yet more to the purpose, and especially when taken together with the above, is the evidence (already in your possession) that in a district of Shan-tung, distant only 180 li from Chi-nan-fu, and at least five days' ordinary travel from Tien-tsin, there was a statement current among the people, in the middle of the week, that there was to be an attack upon foreigners at Tien-tsin on the 23rd and the 26th of the native month. It is remarkable, not only that the attack was spoken of as to be made, but also that the story made no distinction of nationalities; and, moreover, that two dates were given, with the assertion that, on the 23rd (June 21st), those in the city were to be murdered, while the 26th was to be the fatal day upon the Settlement. And here we may be permitted to suggest the question whether the knowledge of such an arrangement, supposing it to have existed, may not have had more to do with the escape of the Settlement on the Tuesday than the reported official interference, and also to remind you that, during the whole of Friday (26th native month), heavy rain fell.

6. A few words, in conclusion, as to the alleged causes of this tragedy:—

(1.) It is said by some that the kidnapping of children for unholy purposes was carried on by the Sœurs de Charité, and that this excited the mob. The charge is one too vile to be entertained for one moment by any thoughtful man. The thing is simply monstrously improbable. But we may ask, if it be true that the belief of such a crime excited the populace, how came the first attack to be made upon the Consulate and not upon the hospital, or even upon the cathedral?

(2.) It is asserted that the immediate cause of the outbreak was a hostile attack made by the French Consul upon his Excellency, Ch'ung. On this point we need hardly remind you—

(i.) That the only evidence of such an attack possible must necessarily be native and official, and should, therefore, be received with caution.

(ii.) The attack upon the Consulate, already begun, was the occasion of the Consul's visit to the Commissioner's yamên.

(iii.) During his absence there is evidence to prove that some person or persons, probably the unfortunate M. Thomason and his wife, were murdered at the Consulate; and—

(iv.) It was only subsequently, and on his way back from the yamên to his own quarters, that M. Fontanier met the crowd already excited by bloodshed, and was slain in the street.

Our present duty is now completed. Our only anxiety has been to assist you, Sir, in forming an accurate idea of what appears to us to be the truth in this dreadful business. Much of the evidence upon which our views are based is already in your hands. Further evidence will probably yet be obtainable, and, of course, we shall feel it to be our duty to communicate to you anything which seems really valuable. It does not lie within our province to do more. We would only, therefore, express the fervent hope that such action will now at length be taken by civilized Powers as to make the repetition of such awful deeds impossible. If crimes like these are permitted to pass unpunished, what may

we not look for in the future? Certainly, on this occasion, nothing but the gracious care of God has prevented Tien-tsin from becoming a second Cawnpore.

(Signed) JONATHAN LEES,
WILLIAM N. HALL,
Protestant Missionaries.

Inclosure 6 in No. 58.

The Rev. A. C. Stanley to Acting Consul Lay.

My dear Sir, *Tien-tsin, July* 4, 1870.

ACCORDING to promise, I have the pleasure to hand you a few items of information picked up during my recent tour. They will principally serve to confirm information and facts already in possession.

The direction taken was south-west, first to Shên Chow, thence still south-west to Ning Ching Hsien; thence east to Têh Chow, and back home.

The greatest distance reached was 700 li, viz., Ning Ching, and the time from May 31st to July 2nd inclusive.

I found the country passed over perfectly quiet, and the conduct of the Chinese and their treatment of me unobjectionable, so far as I could judge. In all directions I found a bad state of feeling existing towards the Romanist Church. The causes assigned for this feeling were various, and frequently conflicting.

The most common cause assigned was their combinations to carry their own points, in which they were generally supported by the priests, even against official authority.

Rumours concerning what has been done at Tien-tsin first reached me at Têh Chow on Tuesday the 28th ultimo. In the evening, at a place 50 li this side of Têh Chow, I met a cartman direct from Tien-tsin. From him some of the facts were elicited. He said the mob was led by the Foo-tai, the Chin Hsien, and a military Mandarin named Chên, and had its origin in the Yamên. That the people would not dare to perpetrate such a deed, unless led or sustained by the officers. The statement of all carters and inn-keepers of whom I made inquiry were to the same effect.

On the 29th instant, my cartman informed me that three or four days previous at Sz Nü Sz, 20 li south of Têh Chow, he had heard an indefinite rumour of a day being fixed for the burning of foreign buildings and the slaughter of foreign residents at Tien-tsin. But it was indefinite and he disbelieved it.

On the evening of the 1st instant I heard from one of the employés of the inn that a rumour was afloat that an attack on the Catholics of Hsien Hsien and Chi-nan-fu had been arranged for the same day as that on which it occurred here.

The general feeling was that, being an American, I could, with care, get home safely.

I remain, &c.
(Signed) C. A. STANLEY.

Inclosure 7 in No. 58.

Report by the Rev. C. Stanley of the testimony of Christian C.

C, HAS been a member of my church since August, 1866. I believe him to be a person of honesty and integrity of purpose. He is a native of Ho Hsuen Tsz Hsien in Shansi.

Having made careful inquiry he testifies as follows concerning the recent outbreak.

There has been, during the summer, a large number of deaths at the Jên-tsz-tang, (Sisters of Charity's place) which gave rise to rumours that children were being killed for the sake of their eyes and hearts for medical preparations. About this time two persons ———— and ———— were executed as kidnappers. They had no connection with the Catholics. Their names, ———— and ————, are such as no Chinaman would accept, and throws suspicion on the attempt to connect them with the Jên-tsz-tang. They were executed, the Futai expressing himself as not fearing foreigners. Pleased with this utterance, an official umbrella and a sign-board was sent him by some of the people. Inscriptions:—"Umbrella of 10,000 names." "Ten thousand families have produced a

Buddha." About that time, a report was circulated by the literati, that the French priests were intending to visit the various schools of Tien-tsin and take four boys from each school: the schools were at once dispersed.

Another kidnapper was now taken, named ————,* 19 years of age, who had a man 30 years old in charge. He was not punished, but well fed and cared for, and prevailed on (hung cho) to say that he had lived at the Tien-chu-tang for some weeks, and that one ————† gave him medicine which assisted him in kidnapping children.

On the 22nd of the 5th moon (Monday June 20) the Futai, followed by a crowd of people, went to the Tien-chu-tang to inquire for ————; there was no such person there. On the following day the Futai, Chih Hsien and Taoutai again visited the place taking ———— with them to identify ————. As he professed to have lived there for some months, the priests desired him to tell what room he occupied; how it was furnished; how the premises were arranged; where ———— stayed, &c.: all of which he was unable to do. All the Chinese on the premises were then called, and he was asked to point out ————, which he was unable to do. The officials were then shown over the entire premises, after which they went away.

A large number of people had followed them to the place, and a crowd had collected while they were there. They went away without any effort at dispersing this crowd.

There was much excitement before the departure of the officers; this increased. Some tried to press into the chapel court, pieces of brick were thrown over the wall and at the windows. One or two parties near the wall were seized for throwing brickbats, when the entire crowd espoused their cause.

At this juncture, the Consul rushed off to Ch'ung Hou's yamên, near by. Officers were sent to try and disperse the people, but could do nothing. In charge of an escort, the Consul endeavoured to make his way back to his Consulate, but was killed by the mob, between the yamên and his own place. After the destruction of the French Consulate and the Ten-chu-tang, the mob rushed off to the Jên-tsz-tang, which was destroyed, and the inmates killed. Particulars he cannot give.

From a careful inquiry he considers the above a correct statement of the succession of events.

The following is what he himself saw and heard:—

(He was preacher at my East Chapel.) Between 10 and 11 A.M. on the day of the massacre, he went over to the West Chapel to see the chapel-keeper, who was ill. He heard the gongs sound about 10 o'clock, and seeing some excitement in the streets he started back to his own chapel. The streets were filled with an excited populace, all crowding toward the east. Noticed that the firemen, instead of carrying buckets, were armed. As he came opposite the Chên-tai yamên, he heard the bugle sound inside. The armed crowd understood this as a good omen, and became loud in their threats against foreigners. These were mostly "hun hsing," or ruffians. He proceeded as best he could to the Tsang-mên chapel, found the door locked, and the keeper fled. He sat down with another church member in a Mahommedan shop opposite. Presently a man came, saying the Tien-chu-tang, French Consulate, and Jên-tsz-tang were burned, and now the London Missionaries' Chapel at the East Gate is being torn down. He started towards the West slowly; in a few minutes he saw some soldiers belonging to the Chêntai yamên; the firemen and the fruiterers opposite our place commence the attack on the chapel and premises. He made his way to the new hospital premises of the London Missionary Society, at the door of which the soldiers soon presented themselves. Through the bravery and self-possession of the native living there, these were preserved from the fate of all our chapels, eight in number.

(To pass over the events transpiring here for a day or two, as they have been given to Mr. Lees by his helper.)

On the 24th I sent an official communication to the Hsien yamên to the effect:—

"I was formerly Cheh Hsien of Han Chên in Shansi, a native of Ho Hsuen-tsz Hsien. China and the foreign Powers have a Treaty permitting the latter to preach, and us to accept and believe their teachings. Every one knows of the Emperor's permission.

"I have explained their books, entered their church, and am now assisting Mr. Stanley (American) in preaching. I have lived over a year at Tsang Mên-ko, where there has been preaching for several years. All the neighbours know we have violated no law.

"On the 23rd of the 5th moon, soldiers and firemen destroyed our premises, and stole all my goods. I don't know what sin I have committed. I do not know whether or not the Tien-chu-chiao take the eyes and hearts of children; but we have no connection

* Evidently Wu Lan-chên: see Mr. Wade's despatch, July 3, p. 16.
† Evidently Wang San: see same despatch.

with them. They are French: while the Jesu Chian is connected with the English and Americans.

"We teach the necessity of repentance, good works, and a pure heart: heal disease, and help the poor. We have no secret way of deceiving the people. If I have committed any offence, then punish me: if not, please send a guard to protect us against plunderers and murderers.* (This paper contained the names of three Christians—two of my members and one of Mr. Lees. He has retained a copy.)

"On the 26th of the 5th moon (Friday, 24th June) the Chih Hsien issued a Proclamation saying that the Tien Chu-chian and Jesu Chian were not the same, and that any one injuring the members of the latter would be punished.

"On the 1st of the 6th moon (Wednesday, 29th June) I received the card of the Chih Hsien, inviting me to visit the Futai. He received me with every mark of respect, opening the middle doors for me to enter. The following contains the main points of our conversation:—

"'*Fu.* Is your sect and the Tien Chu-chian the same?—No; I am connected with the Americans.

"'Is Jesus a Western sage?—Outsiders say so; but he is the Creator of all things, Ruler of all, and the Father of all men.

"'Do you get more pay as a preacher than formerly as an official?—This doctrine exhorts to cast out covetousness. I only get enough to live on.

"He then said, I desired you to come, because I hear that I am accused, and it is claimed by some that I incited those who destroyed the chapels to do as they did. I was unwilling to and did not receive the umbrella and sign sent me, the people only are responsible for what has been done. I desired to tell you this.'

"Mr. ——— considers that the Futai was the prime instigator of the movement at Tien-tsin, assisted by the Chih Hsien and several military officers."

Evidence taken July 6, 1870.

(Signed) C. A. STANLEY.

Inclosure 8 in No. 58.

Report by the Rev. C. Stanley of the Testimony of Christian D.

D. WAS formerly a Mahometan, is now a member of my Church, and apparently an honest and truthful man. I have every reason to believe his testimony to be truthfully given.

His account of the rumours and causes of them is substantially the same as that given by many others. I omit it. He went to see the coffins said to have been recently taken from the Jeu-tze-t'ang (Hospital of Sisters). They were mostly old, and the bones bare of flesh, and in many cases crumbling. In one coffin he saw two skulls. A friend of mine knows the contents of Tsung Kung-pao's (Ch'ung Hou's) despatch to Peking. He says the people of Tien-tsin are very wicked [Ngo fêng]. There is no evidence of the eyes and hearts of children having been taken out.

The other officers made a different representation.

I heard on the 21st of the 5th moon that all foreigners were to be slain. The Futai and Che-hien gave countenance at least to those who had this desire.

Chen-kuo-kui was formerly a rebel. He was captured by some of Huang-kai-pang's soldiers, and for some reason his life was spared. He sets no value on human life. Ostensibly he is looking after Buddhist temples, but he is an intense hater of foreigners. Should the Emperor offend him he would doubtless become a rebel again, perhaps is only waiting for an opportunity.

There is still some talk of an attack on the settlements—bravado, I think [*sic*], *e. i.*, of the river—they are armed, and awaiting an attack by foreigners.

They say the gun-boats were prevented from carrying out their original intention of anchoring in front of the French Consulate by Mr. Meadows.

They calculate on assistance from Tseng Kwo-fan's troops.

A few days ago Tseng Kung-pao sent a Chien-tsung to the blacksmiths, forbidding the manufacture of any more weapons. The Futai and the Chen-tai, both appointees of Tseng Kwo-fan, sent for the Chien-tsung, and beat him for delivering Tsung's message, and sent around countermanding Tsung's order.

Now there is talk of collecting money for the manufacture of arms for future use, as French troops will surely be sent here they think.

* The guard was sent.

The day of the attack one man in the western suburb, ————, a leader of a Fire Company and a wealthy man, gave the Fire Company his large store of private arms for use, consisting of 100 long spears and a great many knives. There is some fear that the soldiers (foreign) will burn the villages east of the river.

(Signed) C. A. STANLEY.

Taku, July 6, 1870.

I was also told by a man, whose evidence has already been taken by Mr. Lees, that some of the blacksmiths were taken to the Yamên and rewarded, and told that the Proclamation was simply to quiet foreigners. This he believes to be true from what he sees and hears in the streets. He can testify to their being sent for to the Yamên.

July 6, 1870. C. A. S.

Inclosure 9 in No. 58.

Report by the Rev. C. Stanley of the testimony of Christian Teacher E.

E., TEACHER, is a native of Tien-tsin, and he has been connected with us for about eight years.

His testimony as to the rumours preceding the events of the 21st of June, confirms the testimony already given by others.

He testifies to the firemen all being armed instead of carrying their buckets; and when asked by shopmen or others, "Where is the fire?" replied, "There is no fire, but a fight at the Tien-chu-chiao ('Roman Catholic mission');" also that he heard intimations that all foreigners were to suffer. About 4 P.M. of the 21st of June, he was seized, and taken to the Hsien Yamên. He was asked—

Are you a Catholic?—No, a member of Jesu Chiao.

Where is your chapel?—At Tsang-ming-kó.

What is Jesus?—The Saviour, according to Kang-hsi.

How many years have you been in the sect?—Several.

How much do you get a month?—I am a teacher and assist in preaching, and get 13,000 cash.

What do the foreigners call you?—Teacher ("sien-shêng").

And what do you call them?—The same.

Are you alone?—There is another teacher named ————.

Where is he from?—The South. I said the Tien-chu-Chiao and we have no connection. The difficulties with these are none of our business; but our chapels are all destroyed. The officer said the people are very stupid; they don't know the difference between Tien-chu-Chiao and Jesu Chiao. Your sign should have "Mei-kuo" (American) on it.

He then put me in a dungeon for a couple of hours, when I was again called, and asked whether I was truly a member of the American Church. With one of Mr. Hall's members, I was then sent to Tsung Kung-pao's yamên. As it was late, we were fed and kept till morning, and sent to Tsze-chu-lin and delivered to Mr. Lees, who gave a receipt for us.

Previous to the issuing of the Proclamations, the constantly-heard remark was, "All foreigners are to be slain, and the "hun-hsing" (bravoes) confidently rely on assistance from Tseng Kwo-fan's soldiers. He knows of the Fu-tai's Proclamation." Everyone said he referred to the Sisters.

He also heard rumours that Tuesday, the 21st of June, was fixed for killing the Catholics, or French; and the following Friday for an attack on the settlement, but did not believe it.

The soldiers of the Chen-tai yamên, firemen, and neighbours, were all engaged in tearing down our chapel at Tsang-mêng-kó, especially the fruiterers opposite.

He also gives me some facts relating to insults offered to Mrs. Stanley on the Sabbath of June 5, the first Sabbath of my absence. I hope to have a fuller account from her; but it cannot be got immediately, as she is at Che-foo.

On the day referred to with the four school-girls, she went to the morning service in the city. After service she went to the house of one of the members as usual to give some instruction. Returning to the chapel, she spoke to the teacher of the insulting language of the crowd, how they jostled against her and stared into her face, and spoke of

digging out eyes and hearts of children, and asked him what it meant. A chair was ordered for her to come home in, and the girls left in charge of the gate-keeper, who succeeded, with some difficulty, in getting them home.

(Signed) C. A. STANLEY.

July 7, 1870.

Inclosure 10 in No. 58.

The Rev. C. Stanley to Acting Consul Lay.

My dear Mr. Lay, *Tien-tsin, July 5*, 1870.

IN my communication of yesterday I forgot to mention one important item.

At Teh-chow, and several other points along the road to Tien-tsin, I heard of the arrival of the military Mandarin, Chên. But one impression marked his entire route of travel, so far as I could ascertain, viz., that it was in some way connected with the expulsion or extermination of foreigners at Tien-tsin and Peking. I referred to his having no troops: "True, but that's his business."

I give you the rumour following him 500 li, at least for what it is worth.

Yours, &c.

(Signed) C. A. STANLEY.

Inclosure 11 in No. 58.

Mr. Crawford to Mr. Holmes.

Dear Sir, *Têng-chow, July 11*, 1870, *night.*

I SEND by this messenger a short note for the benefit of your Committee.

The city is full of rumours and reports of all sorts and colours; and there is doubtless a strong desire on the part of many to make a clean sweep of us and all other foreigners in China. Some say Hartwell killed an old China woman, took out her heart for his wife to eat as medicine, just before she died.* Others say Mateer had a secret chamber in his house, where he keeps children fattening for their eyes, heart, liver, and such like. Some say that it will not be necessary to use soldiers to clear us out; that the people can do it by attacking us all unawares. Still, others say that they can do you of Che-foo up easy enough, by exciting the coolies and vagabonds with the idea of plunder. It is said that the river at Shanghae is blockaded below the city, and the foreigners are unable to escape, and that it will soon all be over with them also. Now, these are such things as are talked about constantly from morning to night. The Tien-tsin affair puts murder into the heads of the common people, and they only need a leader to come to the surface, and they are ready for anything. The Che-foo and Che-kien, put up a joint Proclamation to-day, forbidding the people to talk in this way (at our request), but I do not have much faith in it. Such is the true state of things, so far as I have been able to gather.

I am, &c.

(Signed) T. P. CRAWFORD.

No. 59.

Mr. Wade to the Earl of Clarendon.—(*Received October* 10.)

My Lord, *Tien-tsin, August 2*, 1870.

THE Grand Secretary Tsêng Kwo-fan having become seriously indisposed, the Minister, Mao Chang-hsi, has been sent down with extraordinary powers to assist him. Mao Ta-jên arrived yesterday and visited me this morning, in company with Ch'ung Hou. He did not state what he had been specially commissioned to do, but exerted himself to persuade me to remain here, if it were only for ten days. I declined to pledge myself unless it could be shown that some useful purpose might be answered by my presence.

I am disposed to believe that there is some question as to the trial of the Magistrates

* Mr. Hartwell died at Têng-chow-fu about June 15.

committed to the Board of Punishments, the decision of which he is anxious to receive before he declares himself more explicitly.

I am to return his visit to-morrow.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

No. 60.

Mr. Wade to the Earl of Clarendon.—(Received October 10.)

My Lord, *Tien-tsin, August 4, 1870.*

A FEW days after the massacre of the 21st of June, Ch'ung Hou proposed to Mr. Lay that the Protestant chapels in Tien-tsin, which were destroyed on that day, should be rebuilt. Mr. Lay applied to me for instructions; and, having some experience of the delays attending payment of indemnity in this country, I told him to accept the money as soon as he could obtain estimates from the missionaries interested, but to go no farther.

The missionaries applied to by Mr. Lay were pleased to put a remarkable interpretation upon my instructions as communicated by him, and addressed him a sort of protest against the application. They then forwarded their letter to him to the "North China Herald" for publication.

I inclose copies of Mr. Lay's first despatch to me on the subject, and of my reply to it, together with an extract from the "North China Herald" of the 29th July, in which Mr. Lay's letter to the missionaries, and their reply to him, as well as the editorial comments on the case, are given.

I am not used to busy myself in answering the criticisms of the local press, but I deem it my duty, in this instance, to request attention to the charge implied against me, as it may not impossibly be brought before your Lordship by the missionary body to which the gentleman whose sympathies I unwittingly outraged belong, if, indeed, it be not taken up elsewhere.

My despatch to Mr. Lay of the 1st of July will, I trust, be considered by your Lordship a sufficient explanation of my conduct. I have read the despatch in question to M. de Rochechouart.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure 1 in No. 60.

Acting Consul Lay to Mr. Wade.

Sir, *Tien-tsin, June 28, 1870.*

I HAVE the honour to report all quiet here. I had a long interview with Ch'ung Hou yesterday; he is very anxious to compensate for the troubles by payment; he asked me to let him build up the chapels in the city, or to pay money. I replied, I should do nothing without the previous sanction of my Minister. His Excellency said it was the bounden duty of the Chinese authorities to repair all damage done, and to restore the buildings destroyed. I quite agreed with him, but I did not see the need of haste in this matter. I would report to you and inform you of his Excellency's wishes.

The truth is, his Excellency is very much afraid of the arrival of Tseng Kwo-fan, and he wants to do something—to do anything—that he may be able to report some action to the Governor of Chih-li when he comes to make inquiries.

I, last evening, received your despatch instructing me to act for the moment as French Consul; and I have replied to M. Rochechouart that I have much pleasure in acceding to his request, and, for the present, will take charge of French interests here.

I trust, if any action be taken, that I may have full and specific instructions from M. Rochechouart. Would it be well to see Ch'ung Hou again, or to wait Tseng Kwo-fan's arrival?

His Excellency Ch'ung was very anxious yesterday that I should allow him to rebuild the places destroyed, but of course I could give no such permission.

I trust to be able to send you to-morrow a more detailed account of the whole of this unfortunate business.

I forgot to mention that all the Chinese houses and godowns in the city rented by Englishmen have been guarded by the authorities at my request; and also that, at my request, on the day following the riot, two Swiss subjects (Messrs. Borel) were protected by the authorities and sent to me under a guard of soldiers.

Yours, &c.
(Signed) W. H. LAY.

Inclosure 2 in No. 60.

Mr. Wade to Acting Consul Lay.

Sir, *Peking July* 1, 1870.

I AM in receipt of your despatch of the 28th ultimo.

You cannot do wrong in at once accepting Ch'ung Ta-jin's offer to pay whatever money may suffice to rebuild the British missionary chapels destroyed in the city. The representatives of the missions interested must supply you with estimates which you will, of course, consider carefully before you make any demand. As to the immediate reconstruction of the chapels you must be careful to inform yourself that opposition is not to be looked for at the hands of the Chinese public, or of that section of it to which the late exhibition of hostility is to be ascribed more particularly; in a word, be sure, before building operations are commenced, that they will not be interrupted. You must not rely wholly on official sources for your information. Ch'ung Ta-jin is, I doubt not, as you report, very anxious to do all that in him lies before the arrival of the Governor-General, and I am anxious that you should give him all reasonable support; but it is impossible, just now, at all events, to reckon on his coolness of head; and, in his desire to strengthen himself with the foreigner, he may not impossibly suggest measures which, in the present crisis, it will not be expedient for the foreigner to resort to. I have not heard whether it is yet considered safe for foreigners to pass and repass through the city. If it be safe you will easily ascertain from others and by your own observation whether the builders would be molested or not. I shall be glad to learn that the money is paid, but beyond this be in no hurry to move.

I perhaps misunderstand your question about seeing Ch'ung Ta-jin. I do not in the least object to your visiting him unless you conceive it to be dangerous to go into that part of Tien-tsin in which he lives. If it be, do not go; otherwise, let your communications be as usual, and let those about you perceive that, although horrified at the excesses of the mob of the 21st ultimo, we do not regard ourselves as objects of the hostility of any class, and that, so long as the Imperial Government leaves this or that official in his post, we maintain official relations with him as heretofore.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure 3 in No. 60.

Extracts from the "North China Daily News."

Shanghae, July 29, 1870.

THE following letter had been addressed by Mr. Lay to the Protestant Missionaries, and had elicited the admirable reply which we subjoin:—

"Sir, "*Tien-tsin, July* 20, 1870.

"I have been requested by Her Britannic Majesty's Chargé d'Affaires to ascertain the amount of damage sustained by British subjects during the late unfortunate troubles.

"As I am aware that many of your chapels were destroyed, and much valuable property lost, I have to request you, if you see fit, to have estimates made of the losses and send them to me, in order that they may be forwarded to the Chinese authorities."

"Yours, &c.
(Signed) "W. H. LAY."

Reply of Messrs. Lees and Hall to the foregoing Communication.

"Sir, "*Tien-tsin, July* 21, 1870.

"We have the honour to acknowledge the receipt of your official letter to us dated the 20th instant, touching the losses sustained by missions we represent, during the recent outrages.

"We cannot but express our surprise, not only that at this early stage we should be required to state the amount of those losses, but that, prior to the settlement of the more important questions which are still pending, the subject of monetary compensation should be entertained at all.

"Apart altogether from the fact that we are yet uncertain as to the action which will be taken at the present crisis,—almost certainly by the French, and possibly even by our own Government,—action which might be as useless as it would be impolitic for us to forestall by consenting to any unsatisfactory condonation of the crimes which have been committed; it can hardly be necessary to remind you that until peace has been definitively secured, there are various items of loss for which we should feel it to be our duty to claim compensation, the limits of which can hardly yet have been reached. Such is the utter disorganization of this city and neighbourhood that all mission work must, in all likelihood, be suspended for months to come. Our respective staffs are thus thrown upon other hands. Our country converts, both in this province and in Shan-tung, are everywhere expecting new outbreaks in their various districts. Native Christians in the city continue to be daily exposed to spoliation and personal injury, while there is every reason to fear that our own appearance in the streets would still be fraught with danger.

"With respect to our chapels, we fear that, however willing we might be to meet the wishes of his Excellency, it is not possible for us to do so. Our converts hardly dare linger in the neighbourhood of the ruins; what hope can there be, then, that we can visit them in safety, or procure builders' estimates as to the cost of re-erection, not to speak of any actual attempt at restoration? Our deliberate conviction is, that such an attempt would only end in their renewed destruction, even if workmen could be found brave enough to undertake the task.

"Will you forgive our expressing an anxious desire not to be separated from our suffering French brethren in any settlement of these unhappy troubles? This is not a mere question of sentiment. We cannot but feel that the interests of our country are involved in what has occurred. We are British subjects, resident here under the protection of Treaties, and engaged in the prudent prosecution of our lawful calling. Our lives have been sought, our property has been destroyed, our converts grievously injured, and our characters assailed. Moreover, there seems good reason to believe that at least one of the murdered Sisters was a British subject. There cannot be the slightest doubt upon the mind of anyone who has been brought much into converse with the people during the last few weeks that the original design was to treat all nationalities alike. It is easy to understand why the Mandarins are now anxious to produce a different impression. But just as the excuses which unhappily served them so well in regard to the outrages at Formosa, Yang-chow, and elsewhere fail them now, so should the evident falsity of their present professions of special friendship with ourselves fail to separate us from those allies with whose interests our own so evidently are bound up.

"We beg you will not mistake us. We are not crying for war and vengeance, but we do claim justice; and we hold most firmly to the belief that the path of safety and of honour, no less for individual Englishmen than for our Government, is to stand by our fellow-sufferers in the hour of trial. Nay, more, we believe this, for obvious reasons, to be the most merciful line of action in reference to the Chinese themselves.

"We scarcely know whether we ought to apologize for venturing to express such views, for we hope that they find an echo in your own and every other heart. We have only, therefore, respectfully to assure you that we shall strive to meet, as soon as possible, the wishes of Her Britannic Majesty's Chargé d'Affaires, and to request you to represent to him our difficulties in the matter.

"We are &c.

(Signed) "JONATHAN LEES,
"London Mission Society.
"WILLIAM N. HALL,
"Methodist Mission Society."

Shanghae, July 30, 1870.

Yet in the midst of all this evidence of official complicity and wide-spread machination, we find the British Chargé d'Affaires calmly treating the matter as finished, and calling on the English missionaries to send in their bill for houses and property destroyed, as though the payment of a few dollars would set all straight, and the erection of new buildings would efface even the memory of a mob's unfortunate effervescence. The reply of Messrs. Lees and Hall shows a more worthy appreciation of the crisis. Taking a broader view of its political importance, they urge that punishment of the guilty and

guarantees for the future should precede the payment of monetary compensation; while their remark that it is yet dangerous to go near their property to assess the damage, and that new injuries are daily inflicted on their converts, pitifully condemns the British Minister's assumption that the whole affair was finished with the extinction of the flames. At the time the "Manchu" left, Mr. Wade was hourly expected in Tien-tsin. We can only hope that an investigation of the case on the spot may induce him to take a truer view than he is believed as yet to entertain.

No. 61.

The Secretary to the Admiralty to Mr. Hammond.

Sir, *Admiralty, October* 12, 1870.

I AM commanded by my Lords Commissioners of the Admiralty to transmit herewith, for the information of Earl Granville, copy of a despatch from Vice-Admiral Sir Henry Kellett, dated the 15th August, from Che-foo, reporting the state of affairs in the vicinity of Tien-tsin; also inclosing a copy of a letter addressed by Mr. Stanley, an American missionary, to the Commander of the United States' steamer "Ashuelot," relative to the apprehensions prevailing of an outbreak against foreigners in that part of China.

2. The fan depicting the recent massacre at Tien-tsin, alluded to by Sir Henry Kellett, is transmitted herewith.

I am, &c.
(Signed) THOS. WOLLEY.

Inclosure 1 in No. 61.

Vice-Admiral Sir H. Kellett to the Secretary to the Admiralty.

Sir, *"Salamis" at Che-foo, August* 15, 1870.

IN continuation of my letter of 8th instant, I have the honour to request, that you will inform the Lords Commissioners of the Admiralty that, in consequence of the contiued excitement both on the part of the natives and foreigners of Tien-tsin, I have postponed my departure for Nagasaki for the present.

2. The accompanying copy of a letter, which has been addressed by Mr. Stanley, an American missionary, to Commander Taylor of the United States' steamer "Ashuelot," at Tien-tsin, is a fair specimen of the constant disquieting reports which obtain circulation; and while probably highly coloured, contains, no doubt, an element of truth. It is, of course, highly improbable, that a proselyte Chinese would be admitted to the confidence of any Officers of State,—his facts are probably his opinions.

3. It is only natural that the Chinese Government should concentrate an unusual force in a city where great excitement already exists; and more may be expected if the execution of the roughs or more important criminals is to take place there. But this view of the matter finds no favour amongst foreigners. They persist in attributing the movement to aggressive and murderous intentions, but, strange to say, that while they are quite aware of the inadequacy of the combined force of the French, American, and English in the Peiho to defend them in case of attack, or even to get out of the river, if the Chinese Government sanctioned the proceedings, as they assert, there is no indication whatever of an intention on the part of the merchants and their families, Sisters of Mercy, or others, to remove themselves to a place of greater safety.

4. From Mr. Wade, who is at Peking, I have no news whatever by the steamer which arrived from Tien-tsin this morning; but I am in great hope that I may give their Lordships more authentic and trustworthy information than I now send, by the mail which leaves Shanghae on the 26th instant. In the meantime there are at Tien-tsin the following ships: English—"Dwarf," "Avon," and "Opossum;" French—"Aspec," "Flamme," and "Scorpion;" American—"Ashuelot." I consider this force is quite as great as is consistent with the circumstances. If more ships were sent there would be danger of increasing the already feverish excitement of the Chinese.

5. I inclose for their Lordships' inspection a fan which has had an enormous sale in Tien-tsin, and to which much importance has been attached by alarmists. It represents the burning of the Roman Catholic Cathedral, and the murder, it is said, of the French Consul and a priest. The Mandarin with the Imperial flag is interpreted by the Consul at Tien-tsin, as introduced to imply the approval of the Government.

6. I expect the "Barrosa" here hourly.

7. The French frigate "Venus" and corvette "Linois" are here, and we are to-day joining them in celebrating the fête day of the Emperor.

8. The Prussian corvette "Hertha" sailed in the night of the 10th instant, destination unknown, but I heard of her the next day steering for Shanghae. The French corvette "Dupleix" has gone to Yokohama, most likely to be in observation of the Prussian corvette "Medusa," lying there, and for the protection of their Messageries Imperiale steamers.

9. I have sent Commander Robinson, of the "Rinaldo," an officer in whom I have great confidence, as Acting Captain of the "Princess Charlotte," as I was not satisfied to leave the dockyard without a responsible head, at a time when affairs both in Europe and in China are so unsatisfactory, retaining the "Rinaldo" in Japan.

10. I have no later news from the South of China, or from Japan, than that conveyed in my last, nor has any reliable intelligence reached me of the threatened war between France and Prussia. Report says it has been averted.

11. Their Lordships may rely on the utmost care being taken to meet any emergency which may arise, and that their instructions for such occasions shall be followed as closely as possible.

I have, &c.
(Signed) HENRY KELLETT.

Inclosure 2 in No. 61.

The Rev. C. Stanley to Captain Taylor, United States' Navy.

Dear Sir, *American Boards Mission, Tien-tsin, August* 12, 1870.

AMONG the many reports now in circulation, one came to my knowledge a day or two ago, which seems to me worthy of some attention. My informant, I may say, is an intelligent person, who formerly occupied the position of City Magistrate at Shansi. For some months he has been attending my Chapel in the city, and expressed a conviction of the truth of what we teach sometime previous to the recent outbreak.

He is in uo way committed to us, however, and still visits as before among his former official friends, and may be supposed to know something of their views and feelings.

His manner impressed me from the first as being that of an honest Chinaman. I have reason to believe he expressed his honest convictions, and desires our welfare. Time will show whether his views are just.

He confirms a statement I heard a few days ago that Le Hung Chang is on his way here with 13,000 troops. The van of this army has already arrived. Li is simply a military man, and his presence is only wanted where there is to be fighting. So say others.

He says, further, that the Government does not wish to go to war, that it is willing enough to execute any number of the roughs, and banish the three officials whose heads have been demanded by his Excellency Count Rochechouart. But they cannot be executed according to Chinese law. Hence, as a last resort in view of this demand, war is determined on—the people demand it. Without a thought of the final result, they think they can easily expel or kill the few foreigners in China, especially in the north, and their work is done. Hence an Imperial Decree has gone forth for preparations for a general rising against foreigners. He firmly believes it will take place. At any rate, he knows of extensive preparations making here, which will burst upon us as suddenly as the events of 21st June. No reference is made to the French, as such, but to foreigners.

He is earnest in pressing his advice that the missionaries leave at once, as the danger is increasing daily, and the crisis is near at hand, viz., August 21 and 22.

He expresses great surprise at the apparent indifference of foreigners, when such a crisis is on us, in not collecting a large force of troops here. He says the Chinese force numbers some 40,000 to 50,000 troops, and that the preparations are very extensive—these complete, the attack begins without warning.

All the above is confirmed by a school teacher, who came to see me last evening to give warning and offer me any assistance in his power. He has been a frequent attendant at my chapel for months. He also speaks of one Ting-I, or Iin-Chang, brother of the present Taoutae of Tien-tsin, who is on his way here with a large body of men from Kiang-su. This is confirmed by a native Christian just in from the country, who reported the same to me this morning. He also urges us to leave. As regards preparations, the suddenness of the attack, the time and its intended universality as regards foreigners, all accounts agree.

Remembering the scepticism with which all reports were received previous to the massacre—reports even less definite than we are now receiving—and the final result, I would suggest, if I might be so bold, the propriety of a constant watch being kept at points exposed and good for observation.

Precautionary measures are never out of place, and may save precious lives.

I have, &c.
(Signed) C. A. STANLEY.

No. 62.

Sir E. Thornton to Earl Granville.—(*Received October* 17.)

My Lord, *Washington, October* 3, 1870.

A FEW days ago I inquired of Mr. Fish whether Mr. Low, Minister of the United States at Peking, had taken any part in making to the Chinese Government remonstrances with reference to the recent horrible massacre at Tien-tsin, and whether the United States Government intended to take any steps which would tend to prevent the repetition of such a crime, of which United States' citizens might on a future occasion be numbered amongst the victims.

Mr. Fish replied that he had as yet received despatches to the 27th of July last, from Mr. Low, who reported that when the news of the massacre reached Peking, he had urged the Chinese Government to take steps for the punishment of the persons who were responsible for the outrage, and to anticipate by ample reparation the measures which would probably be taken by the French Government on hearing the news of the massacre. Mr. Low added that the Chinese Government had shown great anxiety upon the subject, and had promptly decided that an envoy should be sent forthwith to Paris for the purpose of giving explanations and offering apologies, and for agreeing upon the atonement which the Chinese Government would be expected to make. Mr. Low understood that both Her Majesty's and the French Chargé d'Affaires had acquiesced in the expediency of this step. In the meantime, however, the French Admiral had commenced a correspondence with M. Rochechouart, the result of which had been that a demand had been made by the latter upon the Chinese Government for the execution of certain authorities at Tien-tsin who had been either by neglect, connivance, or encouragement, implicated in that atrocious affair.

At the departure of Mr. Low's despatch, no decision had been come to upon that demand, but Mr. Fish expressed his opinion, whether or not derived from Mr. Low's reports, that the Chinese Government were too weak to be able to inflict the punishment which was demanded. Mr. Fish said that, in his answer to Mr. Low, which he had written hurriedly on account of the departure of the mail before he had been able carefully to peruse Mr. Low's despatches, he had approved of what that Minister had already done, and had instructed him to continue to urge upon the Chinese Government the necessity of making ample atonement for the outrage which had been committed, and upon the French Chargé d'Affaires and Admiral, moderation in their demands.

Mr. Fish added that orders had been sent from here to Admiral Rogers, who commands the United States' naval force on the Asiatic station, to proceed at once to Tien-tsin for the protection of United States' citizens, and on his arrival there to put himself in communication with the United States' Minister at Peking. In answer to my inquiry, Mr. Fish said that it was not at present the intention of the United States' Government to take any further means of making the Chinese Government feel the enormity of the crimes committed at Tien-tsin.

I have, &c.
(Signed) EDWD. THORNTON.

No. 63.

Consul Medhurst to the Earl of Clarendon.—(*Received October* 19.)

My Lord, *Shanghae, August* 25, 1870.

I HAVE the honour to forward copy of my despatch of this day's date to the address of Her Majesty's Chargé d'Affaires at Peking, reporting the assassination of his Excellency Ma, Viceroy of the Two Kiang, at Nanking.

I have, &c.
(Signed) W. H. MEDHURST.

Inclosure in No. 63.

Consul Medhurst to Mr. Wade.

Sir, *Shanghae, August* 25, 1870.

INTELLIGENCE, which there is every reason to regard as authentic, reached Shanghae yesterday of the assassination on the 22nd instant of his Excellency Ma, Viceroy of the Two Kiang Provinces, whilst engaged in superintending an examination of some military students in his own yamên at Nanking.

The assassin was immediately secured, and he is said to be a military student belonging to Ganking-fu. He is reported to have declined assigning any reason for his atrocious act, beyond declaring that he was commissioned by Hea-sen to commit it. The Viceroy, by last accounts, was in a dying state. He was stabbed in the region of the groin.

Assassination of prominent members of the Supreme or Provincial Governments are, as you are aware, so foreign to the temper and spirit of the Chinese people, and so entirely unprecedented in the modern history of China, that it is difficult to believe but that the attack upon Ma must have been the work of a madman or a fanatic. At the same time it is quite within the compass of possibility that the act has been committed in revenge for the active and determined measures which Ma adopted last year against the military students of Ganking-fu with a view to compelling them to produce the two ringleaders in the attack upon the missionary establishments of that city.

If this hypothesis be correct, the incident must have a deep significance in the eyes of the Chinese at the present conjuncture of affairs. The mere fact that so high and influential an officer as the Viceroy of the Two Kiang Provinces can be thus sacrificed on account of his leaning towards foreigners will certainly create an agitation in the minds of all classes. It will have the effect of causing the well-disposed towards us to lose heart, while it will embolden those amongst the officials and literati who do not favour foreign relations to persist in their efforts to incense the mass of the population against us. In any event the consequences as regards any missionaries, French or British, who may at present be residing at Nanking and in the neighbouring districts are likely to be anything but agreeable.

The Consul-General for France considers the case one of such gravity that he has decided upon dispatching His Imperial Majesty's gun-vessel "Coëtlegon" to Nanking forthwith. The only vessel that we have in the immediate neighbourhood, that is at Chin-kiang, is the "Dove;" but she will quite suffice to furnish a refuge for any British missionaries or subjects who may find themselves in danger in that part of the river.

I have, &c.

(Signed) W. H. MEDHURST.

No. 64.

Earl Granville to Mr. Wade.

Sir, *Foreign Office, October* 19, 1870.

I HAVE to acquaint you that if, on communication with Vice-Admiral Kellett, you should be jointly of opinion that the naval force which he can station at Shanghae is not sufficient for the defence of British interests at that place, you are authorized to apply to the commanding officer of Her Majesty's military forces at Hong Kong, or in Japan, for a detachment of infantry, which, on its arrival at Shanghae, might be held in readiness on board ship, to be landed in case of disturbances affecting British life or property.

I am, &c.

(Signed) GRANVILLE.

No. 65.

The Secretary to the Admiralty to Mr. Hammond.—(Received October 21.)

Sir, *Admiralty, October* 20, 1870.

I AM commanded by my Lords Commissioners of the Admiralty to send you, herewith, for the information of Earl Granville, a copy of a letter from Vice-Admiral Sir Henry Kellett, dated the 22nd of August last, respecting the state of affairs in China and Japan, and the movements of foreign ships of war on the station.

I am, &c.

(Signed) THOS. WOLLEY.

Inclosure in No. 65.

Vice-Admiral Sir H. Kellett to the Secretary to the Admiralty.

Sir, "*Salamis*," *at Che-foo, August* 22, 1870.

SINCE the despatch of my letter of the 15th of August nothing of importance has transpired at Tien-tsin. I am without any information as to the situation of affairs, or the action which has been taken, or is contemplated, by the Chinese to punish the perpetrators of the outrages there on the 21st of June last; but I learn from Admiral Dupré that Count Rochechouart, the French Minister, is sanguine in his hopes that the Cabinet of Peking will adjust the matter satisfactorily; and from private sources I have reason to believe that the threatened insurrection against foreigners, supposed to be commenced to-day, both at Tien-tsin and all over the north of China, has no foundation beyond the fabrications of proselyte Chinese, which are told to the missionaries with a view to reward for their hypocritical solicitude.

2. From Shanghae, and other principal ports in China, I learn that excitement is abating, and affairs resuming their ordinary condition.

3. All is quiet in Japan and in the Straits Division.

4. I shall remain at Che-foo until I receive such a satisfactory letter from Mr. Wade, Her Majesty's Chargé d'Affaires at Peking, as will justify my leaving, when I shall proceed to Nagasaki to my flag-ship, for the purpose of attending to much general business which has been unavoidably postponed, on account of the disturbances here.

5. The ships now at Tien-tsin are:—

English.—"Dwarf," "Avon," and "Opossum."

French.—"Aspec," "Scorpion," "Flamme," "Couleuvre," and "Trelon."

American.—"Ashuelot."

It is my intention to withdraw the "Dwarf" as soon as her services can be spared.

6. The ships here are:—

English.—"Salamis," "Barrosa," and "Grasshopper."

French.—"Venus," and "Linois."

Italian.—"Principessa Clotilde."

7. I have heard of the arrival at Nagasaki of the Prussian frigate "Hertha." I conclude she will make the best of her way to Yokohama to join her consort the "Medusa."

8. Her Majesty's surveying-vessel "Nassau" arrived at Singapore on the 3rd instant.

I have, &c.
(Signed) HENRY KELLETT.

No. 66.

Earl Granville to Mr. Wade.

Sir, *Foreign Office, October* 21, 1870.

I TRANSMIT to you herewith, for your information, a copy of a despatch from Her Majesty's Minister at Washington, reporting a conversation he had had with Mr. Fish in regard to the Tien-tsin massacres.*

I am, &c.
(Signed) GRANVILLE.

No. 67.

Earl Granville to Mr. Wade.

Sir, *Foreign Office, October* 26, 1870.

IN reply to your despatch of the 21st July, I have to acquaint you that Her Majesty's Government approve of your proceedings as therein reported, in urging on the Yamên the necessity of taking steps with a view to disabuse the public mind of the truth of the charges brought against Christians, whether native or foreign, in regard to the bewitchment of children, their abduction, or the mutilation of their corpses.

I am, &c.
(Signed) GRANVILLE.

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* No. 62.

No. 68.

Mr. Wade to the Earl of Clarendon.—(*Received October* 22.)

My Lord, *En route to Peking, August* 7, 1870.

I LEFT Tien-tsin on the 6th instant. I had promised M. de Rochehouart to be present at the funeral of M. Fontanier and the other unfortunate victims of the massacre of June 21. This was to have taken place some days earlier, but various incidents delayed the ceremony until the 3rd instant, on the morning of which day the bodies of the dead were buried in ground cleared from beneath the ruins of the French Consulate. The Minister Superintendent of Trade, Ch'ung Hou, and the newly appointed Intendant, Prefect and Magistrate of Tien-tsin, attended; also, with very rare exceptions, the whole foreign community, missionary and merchant, without distinction of creed or nationality.

I had proposed to start the following day for Peking, but receiving information that rains had made the roads impracticable, I was compelled to come by way of the river.

I rode to the funeral through some three miles of suburb thickly peopled, and on the morning of the 5th instant, when going to pay a visit to the Governor-General, through one-half the city, and, neither in the back streets nor in the thoroughfares, did I hear more than once or twice an offensive expression. I had been given to understand in Peking that placards abusing foreigners abounded. I did not see one, nor—except in two places, both near the foreign settlement—were the official notifications regarding foreigners defaced.

On the other hand, the people continue to stare at the foreigner, now a rarer sight than formerly, with a look of sullen wonderment, of which I have spoken before.

One ugly piece of evidence connected with the massacre is a drawing of it shaped so as to fit a fan. By the cathedral in flames in the midst of the mob is sketched an official sedan, with one Mandarin or more standing by it, sanctioning if not encouraging proceedings. I cannot say to what extent this is in circulation. I have seen but one copy of it, and this was shown to me by M. de Rochechouart.

I have, &c.

(Signed) THOMAS FRANCIS WADE.

P. S.—August 12.—By a courier who arrived last evening Mr. Lay forwarded another copy. He states that they are sold by hundreds in the streets.

T. W.

No. 69.

Mr. Wade to the Earl of Clarendon.—(*Received October* 22.)

(Extract.) *Peking, August* 10, 1870.

I REACHED Peking on the evening of the 9th instant. The following day the Ministers Paoyun, Tung Hsun, and Shen Kwei-fan, happening to have an engagement at the Prussian Legation, came in to see me on their way home.

As I did not begin to talk about the Tien-tsin affair, in due time they came to it themselves; and, after some fencing, informed me that the Prefect and Magistrate committed on the Governor-General's application to the Board of Punishments, had been sent back from Pao-ting-fu, the provincial capital, to Tien-tsin to undergo a preliminary examination.

A Decree forwarded to me this day by the Prince of Kung, translation of which I inclose, does declare that, the investigation at Tien-tsin concluded, the prisoners are to be sent before the Board; but the manifest object of the Government is to gain time, either in the hope that means may be found to induce the French to insist on something less than the death of these men, or to make it appear to the people, if they must die, that they were executed not under foreign pressure, but according to law.

I should be sorry myself to see them executed otherwise, not only for justice' sake but because their sacrifice, as it would be regarded, could bring us nothing but evil.

The case presents many difficulties. The conviction of both the Chinese Government and people that the Tien-tsinese had a *bonâ fide* ground of exasperation against the religious establishments, will incline the Government to favour the mildest possible construction of the offence to be punished; and, so far as the Mandarins we accuse are concerned, although our presumptions are strong, our evidence would be worth little in a Court at home against any but the magistrate. He can be shown, I believe, to have brutally

tortured some of the Romish Chinese who were made prisoners on the day of the massacre. Against the Prefect and the ex-rebel Chen Kwo-jui there is the testimony of common fame, but not, I repeat, such evidence as would, with us, secure a conviction.

However, I have from the first maintained with the Ministers of the Yamên the culpability of these Mandarins, in that, if they did not foster the ill-feeling of the people of Tien-tsin, they did nothing to prevent it; that, in a certain sense, therefore, the blood of the murdered must be laid to their charge; and, on now learning that the accused were being passed back and forward, as I have described, I expressed myself very strongly upon the danger incurred by thus trifling with not France alone, but every Power which had signed the collective note. Fifty days had now elapsed without the punishment of a single criminal, high or low, and I warned the Ministers that if, by the end of this month, nothing had been done to prove the Central Government in earnest, it must not be astonished to see the Legations, one and all, withdrawn, and the French left free to wreak their vengeance upon Tien-tsin. This, I said, is the popular cry of the foreign community in China: either let the Government prove by its energy that it can protect us, or let our own Governments protect us by the infliction of such punishment as will deter the Chinese from repeating the horrors of the 21st of June. I reminded them of the fate of Canton, and I repeated that the present is a far graver crisis than that of 1839 or 1856.

Inclosure in No. 69.

The Prince of Kung to Mr. Wade.

(Translation.) *August* 10, 1870.

THE Prince of Kung, &c., makes a communication.

On the 7th instant the Grand Secretariat had the honour to receive the following Decree:—

"Tseng Kwo-fan has requested that the degraded Prefect of Tien-tsin, Chang Kuang-tsao, and the degraded Magistrate Lin Chie, may be handed over to the Board for punishment; but, in the interests of justice in the punishment of these officials, they should plead and be put on their trial at Tien-tsin, the Board reviewing proceedings, and deciding on the sentence. We therefore direct Chien-Ting-Ming* to send them at once under arrest to Tien-tsin, there to await their trial. Respect this."

The Prince would observe that a satisfactory trial will be more readily had at Tien-tsin, the scene of the disturbances, than elsewhere.

His Majesty has now been pleased to direct that the degraded Prefect and Magistrate plead and be put on their trial at Tien-tsin, the Board reviewing proceedings and passing sentence; and the Governor-General of Chih-li, the Grand Secretary Tseng, has been instructed to act in accordance with His Majesty's Decree. As in duty bound, the Prince now writes to inform Mr. Wade.

A necessary communication addressed to Mr. Wade, &c.

No. 70.

Mr. Wade to the Earl of Clarendon.—(Received October 22.)

My Lord, *Peking, August* 12, 1870.

I INCLOSE a translation of the memorial of the Governor-General Tseng Kwo-fan, and the Minister Ch'ung Hou, the Decree replying to which was forwarded to your Lordship in my despatch of the 30th July.†

The best portion of the paper is what I may call the apology for Christianity, and the protest against the imputation to Christians of barbarities of which even savage nations are incapable. But we need something very much more outspoken, and this I trust we shall obtain when the sentence of the Prefect and Magistrate, whatever it may be, is made public.

The Minister, Pao-yun, came to see me yesterday, at my request, and I gathered, rather from his tone than from anything that he precisely said, that some progress is at last being made towards the satisfaction of justice.

The Prince of Kung received M. de Rochechouart at the Yamên earlier in the day, and I find produced the same impression on M. de Rochechouart.

I have, &c.

(Signed) THOMAS FRANCIS WADE.

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* The Criminal Judge of this province.

† No. 53.

Inclosure in No. 70.

Memorial of Tseng Kwo-fan and Ch'ung Hou on the Tien-tsin Outbreak.

(Translation.)

YOUR Majesty's servants, Tseng Kwo-fan, Governor-General of Chih-li, &c., and Ch'ung Hou, Superintendent of Trade for the three northern ports, &c., address the Throne upon the following matter:—Looking upward, they implore the glance of your Sacred Majesty, upon a memorial reverently prepared, reporting the general result of their inquiry into the late affair at Tien-tsin.

Your servant Tseng had reached Ching Hai *en route* for Tien-tsin, when he received a communication from the Supreme Council, informing him that on the 8th of the sixth moon they had the honour to receive an Imperial Decree acknowledging his report to the Throne of his departure for Tien-tsin, to see what was to be done.

Your servants would humbly observe that the disturbance in the case before them had its origin in the incrimination of the Roman Catholic establishments by certain bad characters engaged in bewitching and kidnapping men and women. There were at the same time stories of eyes scooped out, and hearts cut out to form medical ingredients. Hence a growth of suspicion and a generation of wrath, the consequence of the outburst of which was a great crime (*lit.*, case). It was absolutely necessary that the truth of these rumours should be ascertained, in order that the rights and wrongs of the case might be established, and justice be manifested.

The matter of the bewitchment and kidnapping of men and women by people of the religion (Roman Catholics) has been closely inquired into, step by step, by your servant Tseng, since his arrival at Tien-tsin. [He finds that] although Wang San did confess that he gave drugs to Wu Lan-chên, he now at one time admits, and at another retracts, his admission; while his being a native of Tien-tsin is at variance with Wu Lan-chên's deposition that he came from Ning-chin. Nor is there any proof whatever that Wang San was acting at the instance of the Catholic mission.

With regard to the children, male and female, about 150 in number, that were discovered in the Yen-tzu-t'ang, each one, and all of them, when questioned, stated that they had been Roman Catholics for a long time; that they had been placed in the institution by their families to be subsisted; and that they had not been kidnapped at all. As for [the story of] scooping out eyes and cutting out hearts, it is but an idle tale, without a tittle of evidence to support it.

When your servant Tseng was entering Tien-tsin, the people stopped his chair, and hundreds of them presented petitions on the subject. He made personal inquiry of them as to what real evidence there was for the alleged scooping out of eyes and cutting out of hearts, but not one of them could point to a single actual case. After inquiry, it was found, too, that neither in the city nor suburbs of Tien-tsin had any complaints been made regarding the disappearance of children.

These rumours have not been confined, however, to Tien-tsin alone; formerly, in the Hu-nan and Kiang-si, and more recently at Yang-chow and Tien-mun, as well as at Ta-ming and Kuang-ping, in this province, handbills were distributed and placards posted up charging the Catholics with kidnapping people of both sexes, or stating that they scooped out eyes and cut out hearts, or again, that they were given to the seduction of women; and although the cases had been disposed of in the different localities particularized, no explanation was offered regarding the truth or falsehood of these placards. This story now [current] of scooping out eyes and cutting out hearts being found, upon inquiry, to be utterly without foundation, the oft-repeated tale about [the Catholics] having a jar full of eyes must also be untrue.

As for the killing of children, and the mutilation of the living and the dead, to obtain ingredients for the concoction of medicines, such acts would not be perpetrated by a tribe of barbarous savages; how then could [the subjects of] great nations like England and France be guilty of such barbarities. Let the matter be looked at from a rational point of view, [and it will at once be seen that] such a practice cannot exist.

The Roman Catholic religion inculcates the practice of virtue. It was tolerated so long ago as the reign of your Majesty's ancestor, canonized as "The Benevolent," (Kang-hsi); but if it destroyed people thus cruelly, how could Kang-hsi have allowed it during his reign? The Asile, too, was founded with the same object as the foundling hospitals and almshouses of China, and it spent large sums annually in its object—the shelter and relief of the poor. Their benevolence being repaid by insulting imputations of cruelty, the anger of foreigners may well be aroused.

To come to the point as to how these suspicions grew, and wrath was generated

among the people of Tien-tsin. There were reasons for it. These people saw that the doors of the foreign religious establishments were kept closely shut from year's-end to year's-end with such excessive secrecy that they could not divine what was going on inside; that under the Cathedral and the Asile were vaults which had been built by workmen who were not natives of Tien-tsin. Your servants went in person to the site of the buildings that were burnt, and ascertained by careful investigation that these vaults were merely for the airing of the buildings and for the storage of coal and charcoal. The majority of the Tien-tsin people, who could not see for themselves, listened only to the stories about the depth of the vaults and the children immured in them. They also saw that Chinese applying for medical treatment at the Asile were constantly detained there; that destitute children of both sexes, even beggars, and those dying of disease, were taken in and kept there. Again, the establishment contained many courts, among which the various classes of inmates were distributed; in some the services were held; in others were the schools; in others manual labour was performed, or the sick attended to. The son might be in the front and the mother in the back court, or the mother at the Asile and her son at the Cathedral; so it would frequently happen that the two did not meet for a year. In addition to all this, during the 4th and 5th moons of this year there were [many] cases of kidnapping by means of stupefying drugs, and it so happened that at that very time an extraordinary number of deaths occurred in the Catholic establishment—hence a great increase of rumour. The people having heard the various stories circulated in the handbills and placards [above mentioned] constantly repeated, believed in their truth, and now [the above detailed circumstances] having augmented their suspicions, each and all of them were filled with indignation. When the Roman Catholic establishment came to be incriminated by a kidnapper, the popular rage knew no bounds; much less could it be controlled when Fontanier had fired at the Prefect and Magistrate who went to the Cathedral to inquire for Wang San; there was a universal clamour—a general and combined movement, and a serious and sudden disturbance took place.

The levity and turbulence of the people were beyond doubt very abominable, but their suspicions were not the growth of a day.

Your servants, having now thoroughly investigated this matter, have but to pray your Imperial Majesty to issue a general Decree for the information of the whole Empire, making it known that the stories formerly contained in those handbills and placards, of Catholics scooping out eyes and cutting out hearts, murdering and mutilating the living, are for the most part false. Such a publication, for the information of all, will at once dissipate the false charges against the foreigner, and remove the suspicions of the people. They further pray that some of the circumstances which gave rise to the suspicions entertained by the people of Tien-tsin may be stated in the edict.

The people of Tien-tsin are, in their general character unyielding and bold, and, as a rule, public-spirited. Those who went but with the stream, may claim to have been moved to anger by a public purpose; and, as a matter of course, no proceedings will be taken against any of these. But as for the actively violent, the ringleaders and those who took advantage of the occasion to rob and plunder, these must all be seized and severely punished, as a warning in future.

In China, in a case of murder or slaughter, a life is required for each one taken. Still less, when a number of foreigners have been killed, and war hardly avoided, can malignity be allowed to extend itself.

Your servant Tseng has instructed Ting Shou-Ch'ang, Expectant Judge, now acting as Taoutae at Tien-tsin, having the Prefect and Magistrate under his orders, to affect the arrest of the murderers, and he certainly will succeed.

As the confession of the prisoner Wu Lan-chên incriminated the Roman Catholic establishment, your servant Ch'ung Hou directed the local officials to go and search the mission, with the idea of dissipating popular suspicion. When lately there were rumours at Nanking of kidnapping by the Roman Catholics, the same steps were taken there also.

Subsequent events—the murder of the Consul Fontanier and the others, and the burning of the Consulate, Cathedral, &c.—occurred suddenly, and it was beyond mortal power to prevent them. But that so grave a crime was consummated at Tien-tsin, is due to the fact that the local authorities had failed in their legitimate daily influence over the people, and were unprepared with preventive measures. The Intendant, Prefect, and Magistrate have already been deprived of office, and are awaiting examination and further punishment, and your servant Tseng has selected officers to act in their stead.

The names and numbers of the persons killed in the late disturbance have been ascertained, but the bodies of five of the Sisters from the Asile have not been discovered. Those that have, have been placed in coffins and handed over to the care of the British Consul Lay. The bodies of the murdered Russians have been identified by the Russian

Consul Skettochkoff, and buried. A list [of the persons murdered] is annexed for your Majesty's inspection.

M. de Rochechouart having arrived at Tien-tsin, the question of the restoration of the buildings destroyed coming under discussion, your servants propose to send an officer at once to superintend [their restoration]. As soon as anything definite has been arranged with regard to the matter, they will again address your Majesty in continuation. They will also report to your Majesty when any arrangement has been made with reference to the murdered Russians, and the English and American chapels that were destroyed.

They now submit this general report of the result of their investigations at Tien-tsin, &c.

No. 71.

Mr. Wade to the Earl of Clarendon.—(*Received October* 22.)

My Lord, *Peking, August* 13, 1870.

I SHOULD have earlier reported that the rupture of relations between France and Prussia became known at Tien-tsin in the third week of July. The Chinese Government is aware of it, but I think that it also understands that, so far as the Tien-tsin massacre is concerned, the union of the signataries of the Collective Protest against that fearful outrage is in no way shaken; that all alike continue of the same mind regarding the necessity of insisting upon satisfaction that shall be really sufficient and reassuring.

I have, &c.

(Signed) THOMAS FRANCIS WADE.

No. 72.

Earl Granville to Lord Lyons.

My Lord, *Foreign Office, October* 24, 1870.

M. TISSOT has been directed by the French Government to ask me what Her Majesty's Government thought of the present state of affairs in China, with reference to the refusal of the Chinese Government to comply with the demands of M. Rochechouart, the French Chargé d'Affaires.

I explained to him generally the nature of the instructions given to Mr. Wade, with which your Excellency is acquainted: that he was authorized to facilitate the withdrawal of any British subjects from Tien-tsin and other places which, during the winter, could not be approached by water, if they desired to depart; that we had, moreover, arranged for sending out as a reinforcement to the British squadron a body of 300 marines, and that Mr. Wade and the British Admiral had been authorized to apply to the commanding officers in Japan and at Hong Kong for a detachment of infantry if they should jointly be of opinion that such a measure was required for the defence of Shanghae. These measures, I said, had been taken with a view to protection against any pressing and immediate danger, but we reserved any further instructions with reference to what had taken place at Tien-tsin until we learned the result of the diplomatic negotiations in progress.

I further said that during the three months that had elapsed since the massacre, merchants and missionaries had continually expressed great alarm for the safety of foreigners in China, but that Her Majesty's Representative and Admiral, although alive to the possibility of danger, were not equally alarmed; and that it would seem that the French Chargé d'Affaires, who at first acted with great calmness and judgment, had at a later period been somewhat precipitate in his demands.

A private telegram had, however, arrived, which seemed to show that reparation had been made by the Chinese Government.

I am, &c.

(Signed) GRANVILLE.

No. 73.

Consul Medhurst to Earl Granville.—(*Received October* 24.)

My Lord, *Shanghae, September* 1, 1870.

I HAVE the honour to forward, for the information of your Lordship, copy of my despatch dated the 30th ultimo to the address of Her Majesty's Chargé d'Affaires at Peking, confirming the report of the assassination of his Excellency Ma, Viceroy of the Two Kiang Provinces.

I have, &c.
(Signed) W. H. MEDHURST.

Inclosure in No. 73.

Consul Medhurst to Mr. Wade.

Sir, *Shanghae, August* 30, 1870.

REFERRING to my despatch dated the 25th instant, reporting the alleged assassination of his Excellency Ma, Viceroy of the Two Kiang Provinces, I have the honour to acquaint you that the truth of the rumour has been officially confirmed to the local authorities, both of Chinkiang and this port. The Taoutae of Shanghae, in reply to an inquiry which I addressed him, writes: "Ma, the Minister for Commercial Affairs, was stabbed by a traitorous person at noon on the 22nd August, and at 2 P.M. on the following day he expired." The assassin was secured forthwith, but his examination has as yet elicited nothing positive.

All kinds of rumours are in circulation as to the identity of the individual who committed the deed, and as to his motive. The commonly accepted version of the story amongst the natives at present is, that he is a native of Shantung, and a relative of Ma's; that there had been some quarrel about money matters between himself and Ma, and that he revenged himself by taking Ma's life. The facts of the assassin's having had easy access to the interior of the Yamên renders it probable that he was a relative, and, so far, makes it likely that this story may turn out to be the true one.

Your, &c.
(Signed) W. H. MEDHURST.

No. 74.

Consul Medhurst to Earl Granville.—(*Received October* 24.)

My Lord, *Shanghae, September* 1, 1870.

I HAVE the honour to inclose, for the information of your Lordship, copy of my despatch dated the 30th ultimo to the address of Mr. Wade, Her Majesty's Chargé d'Affaires at Peking, on the subject of the active purchasing of arms by the Chinese authorities.

I have, &c.
(Signed) W. H. MEDHURST.

Inclosure in No. 74.

Consul Medhurst to Mr. Wade.

Sir, *Shanghae, August* 30, 1870.

I DEEM it right to report for your information that the local authorities are actively employed in buying up all the large and small arms, ammunition, lead, &c., that they can lay their hands on; and that arms of the newest and most approved American and English patterns are being manufactured in large quantities at the arsenal above the city.

Your, &c.
(Signed) W. H. MEDHURST.

No. 75.

Earl Granville to Mr. Wade.

Sir, *Foreign Office, October* 27, 1870.

I INCLOSE herewith, for your information, a copy of a despatch I have addressed to Her Majesty's Ambassador at Tours,* reporting a conversation I had with the French Chargé d'Affaires at this Court respecting the present state of affairs in China.

I am, &c.
(Signed) GRANVILLE.

No. 76.

Mr. Magniac to Mr. Hammond.—(Received October 29.)

Dear Mr. Hammond, 3, *Lombard Street, October* 27, 1870.

WHEN I saw you on Saturday I ventured to suggest the advisability of reinforcing our troops in China from India. You did not consider, from the information you had received, that more troops were required than are now in Hong Kong, and especially seeing that marines (300) were just being despatched from here.

On Monday a telegram is said to have been received from Bombay to the effect that troops were about to be sent to China from Madras, and I am just informed that two steamers of a Bombay shipping company have been taken up for the conveyance of troops to China. Would you kindly inform me what is the truth of these statements? Without being alarmists, I and many others cannot help feeling anxious for the safety of our friends at the northern ports.

Believe, &c.
(Signed) CHARLES MAGNIAC.

P.S.—If troops have really been sent from India, a statement of the fact in reply to my letter to Lord Granville of the 13th would I am sure be received with much satisfaction.

C. M.

No. 77.

Mr. Hammond to Mr. Magniac.

Sir, *Foreign Office, October* 29, 1870.

I HAVE laid before Earl Granville your letter of the 27th instant, inquiring whether there is any truth in the report contained in a telegram said to have been received from Bombay that troops were about to be sent to China from Madras; and I am directed to say that neither the India Office nor the Foreign Office has any knowledge of such a movement. The report may indeed have originated in a native regiment being about to be sent to Hong Kong in the ordinary course of service to relieve the native regiment which has been there for the last two years. There can be no doubt that Sir Henry Kellett will take all such measures as may be found necessary and practicable for the protection of British subjects in China if any special measures are required for the purpose. There is nothing later from Mr. Wade than his telegram of September 26th, which has been published, or from the Admiral than a despatch to the Admiralty of the 22nd of August; but he appeared satisfied with the precautionary measures he had taken for the protection of the ports, at each of which a vessel of war is stationed.

A battalion of marines will be shortly sent to China to be at the disposal of the Admiral, and if he and Mr. Wade should be of opinion that British interests at Shanghae are in danger, they are instructed to draw from Hong Kong or Japan a detachment of infantry, which in case of emergency might be landed for purposes of protection, and which could remain on shore until the danger was passed.

I am, &c.
(Signed) E. HAMMOND.

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* No. 72.

No. 78.

Consul Medhurst to Earl Granville.—(*Received October* 31.)

My Lord, *Shanghae, September* 8, 1870.

WITH reference to my despatch dated the 1st, I have the honour to inclose for your Lordship's information copy of my despatch of the 2nd instant, to the address of Her Majesty's Chargé d'Affaires at Peking, on the subject of the purchase of arms by the native authorities.

I have, &c.
(Signed) W. H. MEDHURST.

Inclosure in No. 78.

Consul Medhurst to Mr. Wade.

Sir, *Shanghae, September* 2, 1870.

REFERRING to my despatch dated the 30th ultimo, I beg to add that I am informed on reliable authority that the purchase of arms and ammunition now being so extensively made by the Chinese authorities are almost all, if not entirely, on account of the Hankow Mandarins, who are procuring them for transmission to Shensi and Kansuh, *vid* the Han River. Orders for them were received some time ago, and the shipment is being made by lorchas hence to Hankow. I wrote first under the impression which has been very general during the past few days—that the arms might be intended for Tien-tsin, but I find that there are no sailing-vessels on the berth for the north, and no steamer will now accept freight of the kind.

Your, &c.
(Signed) W. H. MEDHURST.

No. 79.

Consul Medhurst to Earl Granville.—(*Received October* 31.)

My Lord, *Shanghae, September* 8, 1870.

I HAVE the honour to inclose, in continuation of my despatch dated 1st September, 1870, to the address of your Lordship, copy of my despatch of the 5th instant to Mr. Wade, reporting on the state of affairs at Yang-chow and the neighbouring districts.

I have, &c.
(Signed) W. H. MEDHURST.

Inclosure in No. 79.

Consul Medhurst to Mr. Wade.

Sir, *Shanghae, September* 5, 1870.

THE Rev. J. Hudson Taylor called on me this morning, having just arrived from Yang-chow. He tells me that the commonly accepted report all over that part of the country, in respect to the cause of the Viceroy's assassination is, that the incident has no political bearing whatsoever. Mr. Taylor reports Nanking, Nganking, Yang-chow, and Tsing-kiang-pu (on the Yellow River)—four stations which have been under his more immediate notice of late—as perfectly quiet; but he states that he has observed everywhere a violent anti-French feeling, which is liable to break out at any time, and in such an event he thinks it more than likely that no discrimination will be made by the Chinese between French and English missionaries resident in the cities alluded to, but that all will be involved in one common trouble.

I have, &c.
(Signed) W. H. MEDHURST.

No. 80.

The Secretary to the Admiralty to Mr. Hammond.—(*Received November* 2.)

Sir, *Admiralty, November* 1, 1870.

I AM commanded by my Lords Commissioners of the Admiralty to send you herewith, for the information of Earl Granville, an extract from a letter from Vice-Admiral Sir Henry Kellett, dated the 2nd September last, respecting the state of affairs in China.

2. A copy of a statement showing the names and force of the French and Prussian men-of-war on the China station is also inclosed for Earl Granville's information.

I am, &c.

(Signed) THOS. WOLLEY.

Inclosure 1 in No. 80.

Vice-Admiral Sir H. Kellett to the Secretary to the Admiralty.

(Extract.) "*Salamis,*" *at Chefoo, September* 2, 1870.

I HAVE the honour to acquaint you, for the information of the Lords Commissioners of the Admiralty, that since writing my despatch of the 22nd August last, I have received a communication from Her Majesty's Chargé d'Affaires at Peking, in which he speaks hopefully of an adjustment of matters relative to the outrages at Tien-tsin, and expresses an opinion that there is no apprehension necessary for the safety either of the Mission or of foreigners generally. Private news from Tien-tsin is equally reassuring.

A separate letter of this date reports my proceedings in removing, at the request of the United States' Consul at Che-foo, all the American missionaries from Tung-chow, on account of their being alarmed by reports of a massacre of foreigners being appointed for the 15th of this mouth. The United States' Consul has expressed his thanks to me in warm terms.

With regard to the war between France and Prussia, the tenor of all reliable news is that England maintains a strict neutrality, and on receipt of instructions to this effect they will be carried out the letter.

Although I have kept their Lordships fully informed of every movement, not only of our own vessels but of those of all other Powers, I think it necessary again to give some particulars.

The accompanying statement, showing the names and force of all French and Prussian men-of-war on this station, as far as it can be obtained, will be useful. The Prussian ships "Hertha" and "Medusa" are believed to be in Japanese waters.

The French flag-ship "Venus" goes to-morrow to Shanghae, to obtain the French mail, due there on the 4th instant, and which will bring him the important instructions consequent on the war.

The "Linois" sloop is here. The gun-boats, "Scorpion," "Flamme," "Aspic," "Couleuvre," and "Trelon," none of them sea-going ships, properly speaking (merely river-boats of no speed), are at Tien-tsin. The "Coetlegon" sloop is at Shanghae, and the "Dupleix" sloop is at Yokohama. Admiral Dupré tells me, with great regret, that the "Alma" armour-plated ship, intended to carry his flag, has orders to call at Rio, the Cape, Mauritius, Réunion, and many other places, so as to time her arrival at Singapore, to sail the change of monsoon, and after the typhoon season has passed. This delays her arrival in China seas until well on to December.

The "Benicia," United States' corvette, arrived at Hong Kong on the 12th ultimo. She left the "Delaware," flag-ship of Admiral Rowan, at Singapore, awaiting the arrival of Admiral Rogers in the "Colorado."

The Austrian frigate "Erzerhof Friedrich" was at Hong Kong on the 15th ultimo.

I shall proceed to Nagasaki immediately after the arrival of the mail (hourly expected), which left England on the 15th July.

The "Dwarf" will drop down the River Peiho, and be stationed at Che-foo, to bring me news from the north of China, in case of urgent matters; and the "Salamis" will then be available for postal or telegraphic communication between myself and Shanghae. I shall thus be able to send or receive the latest possible intelligence to and from Europe, China, and the United States.

Inclosure 2 in No. 80.

LIST of Foreign Ships of War in Commission within the limits of the China Station.

Nation.	Ship's Name.	No. of Guns.	Horse-Power.	Number of Crew.	Where seen.	When seen.	Remarks.
French ..	Venus (flag ship)	22	450	320	Che-foo ..	Aug. 30, 1870	Bearing the flag of Rear-Admiral Dupré. To be relieved by the iron-clad corvette "Alma."
	Dupleix ..	12	250	250	Yokohama .	Aug. 30, 1870	
	Coetlegon ..	4	150	75	Shanghae ..	Aug. 30, 1870	
	Lucifer ..	4	80	90	Shanghae ..	June 7, 1870	
	Aspic ..	2	80	45	Tien-tsin ..	Aug. 30, 1870	
	Dupeiré ..	18	..	..	Saigon ..	Nov. 7, 1868	Receiving ship.
	Minerve ..	22	500	300	Yokohama .	June 1869	Believed to have gone home.
	Scorpion ..	3	60	55	Tien-tsin ..	Aug. 30, 1870	Fitted to fire right ahead, through an iron shield.
	Goeland ..	3	160	80	Singapore ..	June 8, 1869	
	Le Breton ..	3	60	50	Hong Kong .	Dec. 9, 1868	Ditto.
	Kienchang .	2	50	50	Hong Kong .	Dec. 9, 1868	Paddle despatch.
	Aveyron ..	..	..	..	Singapore ..	July 28, 1869	
	Taru ..	..	..	..	Singapore ..	May 17, 1869	Transport.
	Linois ..	6	90	90	Che-foo ..	Aug. 30, 1870	
	Larthes ..	..	..	..	Singapore ..	Aug. 1, 1870	Transport. 2,000 troops on board, for Saigon.
	Diamant ..	5	..	75	Singapore ..	Aug. 26, 1869	
	Flamme ..	4	130	80	Tien-tsin ..	Aug. 30, 1870	
	Creuse ..	..	..	..	Singapore ..	July 27, 1869	Transport.
	Couleuvre ..	3	60	55	Tien-tsin ..	Aug. 30, 1870	Fitted to fire right ahead, through an iron shield.
	Trelon ..	3	60	55	Tien-tsin ..	Aug. 30, 1870	
Prussian ..	Hertha ..	26	500	400	Che-foo ..	Aug. 1870	Senior officer, China and Japan.
	Medusa ..	12	..	190	Yokohama .	Aug. 1870	

"*Salamis*," *at Che-foo, August* 30, 1870.

Inclosure 3 in No. 80.

STATEMENT of the Distribution of Her Majesty's Ships on the China Station.

Division.	Station.	Ship.	Remarks,
Singapore	Singapore	Icarus	
	do.	Algerine	
South China ..	Hong Kong ..	Princess Charlotte ..	Stationary harbour-ship.
	do. ..	Bouncer (tender) ..	
	do. ..	Starling	
	do. ..	Nassau	Surveying vessel.
	Amoy	Hornet	
	Foo-chow	Banterer	
North China ..	Shanghae	Zebra	
	Ningpo	Severn	
	Kiu-kiang	Firm	
	Chin-kiang ..	Dove	
	Hankow	Midge	
	Che-foo	Salamis	Flag of Commander-in-chief.
	do.	Barrosa	
	do.	Grasshopper ..	
	Tien-tsin	Dwarf	
	do.	Avon	
	Taku	Opossum	
Japan	Yokohama	Adventure	
	do.	Rinaldo	
	Hiogo	Elk	
	Nagasaki	Ocean	
	do.	Cockchafer ..	
	Inland Sea	Sylvia	Surveying vessel.

"*Salamis*," *at Che-foo, August* 30, 1870.

No. 81.

Earl Granville to Mr. Wade.

Sir, *Foreign Office, November* 2, 1870.

I HAVE received and laid before the Queen your despatches from the 7th August to the 13th of that month, and I have to acquaint you that Her Majesty's Government approve your proceedings as reported in those despatches.

I am, &c.
(Signed) GRANVILLE.

No. 82.

The Secretary to the Admiralty to Mr. Hammond.—(*Received November* 3.)

Sir, *Admiralty, November* 2, 1870.

I AM commanded by my Lords Commissioners of the Admiralty, to transmit to you, for the information of the Secretary of State for Foreign Affairs, the inclosed copies of a report from the Admiral commanding in China, of the 2nd September, and its inclosures, stating that, in consequence of representations from the United States' Consul at Che-foo, he had ordered Her Majesty's gun-boat "Grasshopper," with Her Majesty's ship "Barrosa" in company, to proceed to Tungchow and bring away the American missionaries from that place.

2. The service was duly performed by those ships, and a list of the persons embarked accompanies Sir Henry Kellett's despatch.

I am, &c.
(Signed) THOS. WOLLEY.

Inclosure 1 in No. 82.

Vice-Admiral Sir H. Kellett to the Secretary to the Admiralty.

Sir, "*Salamis,*" *of Chefoo, September* 2, 1870.

I HAVE the honour to request you will inform the Lords Commissioners of the Admiralty that, on the 31st ultimo, I received a letter from the United States' Consul at Che-foo (copy inclosed) requesting that I would send a gun-boat to Tung-chow to bring away the American missionaries, who were under serious apprehensions for the safety of their lives.

2. I at once expressed my regret that the only gun-boat present was under repair and unfit for sea for a day or two, and also pointed out that my information led me to think that the fears of the missionaries were greater than necessary, and that their simultaneous withdrawal would be attended with much inconvenience in the future, as their return to Tung-chow, which is not a Treaty port, would be actively opposed by the anti-foreign party.

3. In the evening, however, I received the accompanying second despatch from Mr. Holmes, in which the requisition is preferred with more urgency than before.

Finding on inquiry that the "Grasshopper" gun-boat could be got ready for a short journey of only forty miles by daylight, and that it was not desirable to send the "Barrosa" within three or four miles of the town on account of there being no plan of the harbour, I determined to despatch both ships on this service. Their orders were not to land or send boats on shore, unless absolutely necessary, to embark any Americans or Europeans, their families and domestic servants, but no other persons whatever, and return to Che-foo as soon as possible.

4. They returned the same evening, having brought away the persons named in the accompanying list without any opposition whatever on the part of the Chinese. I am informed that the Prefect of Tung-chow and other Mandarins of importance expressed their regret at the departure of the missionaries with whom they had lived on the most friendly terms, and assured them that they had been greatly misled by false reports. The Rev. Mr. Mattea and the Rev. Mr. Crawford remained behind to transfer their property to the Mandarins, and intend to make the journey here by land.

I have, &c.
(Signed) HENRY KELLETT.

Inclosure 2 in No. 82.

Mr. Holmes to Vice-Admiral Sir H. Kellett.

Sir, *Che-foo, August* 31, 1870.

I HAVE the honour to hand you herewith, for your perusal, a letter received from the Rev. J. L. Nevins, D.D., residing at Têng-chow, which will explain itself.

The news from there being of rather an alarming character, and the people deeming it unsafe to remain there longer, in the absence of an American man-of-war,—if it would not be asking too much,—may I request that your Excellency will be kind enough to allow a gun-boat to go to their assistance, providing you consider it necessary.

The residents there, eighteen in number—men, women, and children—have made arrangements, according to the letter herewith, to leave to-morrow, the 1st of September.

I have, &c.

(Signed) S. A. HOLMES, *United States' Vice-Consul.*

Inclosure 3 in No. 82.

The Rev. J. Nevins to Mr. Holmes.

Dear Sir, *Têng-chow, August* 29, 1870.

I AM requested, by a unanimous vote of the American residents here, to write to you on their behalf, to request you to obtain a steamer (a gun-boat if possible) to come to Têng-chow on Thursday morning of this week, to remove us from this place; but reason for this action I will give below.

We have credible grounds for believing that official communications were received here some time back from Tsêng Kwo-fan and from the Governor of the province, calling upon the authorities to make arrangements for massacring foreigners generally some time this fall. It is believed here that Che-hien and the principal military officer, who were summoned to the provincial capital some weeks ago, went for the express purpose of being instructed as to what they should do with us, and as to the preparation they should make for defending the city in case of war. The Che-hien came back from Chi-nan-foo last [*sic*], went on to Che-foo immediately to communicate with the Taoutae, and has returned to Têng-chow. The chief military Mandarin of this city is expected here three days hence, and it is said that he is bringing 2,000 soldiers with him. Some reports state that in the event of a defeat of the Chinese at Tien-tsin, they will take their revenge on us here; others, that they will hold us as hostages. We hear that a very large military force is being collected in Chi-nan-foo. There is a great deal of excitement here again; and since the return of the Che-hien, the principal men of the city are having frequent conferences with the officers. We have learned from independent sources that the people are divided; some of them opposing any movement against us, and some of them favouring it. The people generally expect that an attack will be made upon us on the 15th of the present Chinese month. We have received intelligence from our native Christians in Ping-tu and Lai-yang confirming these reports.

Chinese connected with us are urged by their friends to get away from us by all means before the 16th; and there is reason to anticipate that they may be obliged to do so, in order to save their lives if we remain here longer.

It is very probable that it will be impossible to leave Têng-chow if we delay long. We think that even now we would find difficulty in getting away by the ordinary modes of travel. I might refer to other rumours had I time, and were it necessary. It is with great reluctance that we have determined to send you this communication; but under the circumstances we think the risk too great to remain longer. Our plan is to leave our houses in the care of the officers. We would be glad to have you come as our official Representative in communicating with them.

We will be ready to leave early on Thursday morning. If no gun-boat or steamer can be obtained, we would be greatly obliged if Mr. Mayers will fulfil the promise he has already made to come to us in his boat. Perhaps two boats would be required.

There are here five gentlemen, five ladies, and eight children, and we would like to take with us a few Chinese. If a steamer cannot come for us on Thursday, please communicate with us at the earliest moment by special post.

I am, &c.

(Signed) J. L. NEVINS.

Inclosure 4 in No. 82.

Mr. Holmes to Vice-Admiral Sir H. Kellett.

Sir, *Che-foo, August* 31, 1870.

I HAVE the honour to acknowledge receipt of your despatch in reply to mine of to-day regarding the removal of the American missionaries from Têng-chow, and for which I am under many obligations.

Since receiving your despatch I have received other letters from the missionaries at Têng-chow, and as they have all decided that it is dangerous to remain longer, and have decided to come away immediately, I deem it necessary from their statement that succour should be sent to enable them to get away. Therefore as the Representative of a friendly Power, and in the absence of American vessels, if it is not asking too much of your Excellency, may I respectfully request that you will be kind enough to have a gun-boat or other vessel sent to their relief, and on behalf of the American Government and of the missionaries at Têng-chow I shall consider it a very great favour.

I have, &c.

(Signed) S. A. HOLMES, *United States' Vice-Consul.*

Inclosure 5 in No. 82.

List of American Missionaries and their Families removed from Tung-chow-foo by Her Majesty's ships "Barrosa" and "Grasshopper," on the 1st September, 1870.

The Rev. J. B. Hartwell, and four children.
The Rev. J. L. Nevins, D.D., and Mrs. Nevins.
The Rev. E. C. Caffe.
Mrs. Mattea.
Mrs. Crawford.
Mrs. Morrison and child, and several Chinese domestics.

No. 83.

Consul Medhurst to Earl Granville.—(Received November 5.)

My Lord, *Shanghae, September* 15, 1870.

I HAVE the honour to inclose, for the information of your Lordship, copy of my despatch, dated the 13th instant, and inclosures, to the address of Her Majesty's Chargé d'Affaires at Peking, forwarding a correspondence with Messrs. Jardine, Matheson, and Co., of this port, on the subject of the possible effects of the outrage at Tien-tsin, upon British interests in the North of China.

I have, &c.

(Signed) W. H. MEDHURST.

Inclosure 1 in No. 83.

Consul Medhurst to Mr. Wade.

Sir. *Shanghae, September* 13, 1870.

I HAVE the honour to inclose, for your information, copy of a letter which Messrs. Jardine, Matheson, and Co., of this port, have addressed me on the subject of the possible effects of the outrage at Tien-tsin upon British interests, and of the reply which I have made thereto.

Your, &c.

(Signed) W. H. MEDHURST.

Inclosure 2 in No. 83.

Messrs. Jardine, Matheson, and Co. to Consul Medhurst.

Sir, *Shanghae, September* 9, 1870.

REFERRING to the various statements which have appeared from time to time in the public prints, to the effect that certain demands of a serious nature have been made by the French Minister at Peking, upon the Chinese Government, in consequence of the recent massacre of foreign residents at Tien-tsin, statements, which find confirmation in the despatches, the substance of which has been published in the "North China Daily News," and which have been addressed by their Excellencies the Baron Von Rodenbeck and Count de Rochechouart to the Tsung-li Yamên, we shall feel obliged if you can afford us official information on a subject which is necessarily of great importance to ourselves, and to the interests under our charge.

We assume, that if Her Britannic Majesty's Chargé d'Affaires at Peking, were of opinion that the circumstances of the political situation justified a fear that the interests of Her Britannic Majesty's subjects in China are in any way jeopardized by the course of recent events, some official notification, recommending caution in the mercantile and personal relations between British subjects and the Chinese would have appeared, and we are therefore disposed to believe that there is no real cause for anxiety; but in view of the natural alarm and feeling of insecurity which have been excited in all the foreign communities on this coast, as well by the appalling tragedy at Tien-tsin, as by the publication of the despatches referred to, and by the fear openly avowed by the native mercantile classes at this port that trade with Tien-tsin will be interrupted, we do not hesitate to say, that an authoritative expression of confidence on the part of Her Britannic Majesty's Minister at Peking is urgently called for, to remove the doubt and hesitation which by paralyzing trade in several branches, are the occasion of serious loss, and which are increased as much by the silence of the British Legation, as by the expressions of belief in the gravity of the crisis, contained in the despatches of the French and Belgian Ministers. These despatches incriminate as instigators, not only of the massacre of Tien-tsin, but of a hostile feeling against foreigners generally, several native officials holding responsible and important positions, and that such a hostile feeling on the part of certain classes of the native population exists, is made evident by the accounts which reach us from various parts of the country, not the least authentic of these being the statement of Baron Richtofen, that he could not with safety prosecute his mission on behalf of the Chamber of Commerce, in consequence of the menacing attitude of the people.

Under these circumstances, we have the honour to request that you will inform us if you are aware of any difficulties existing between the French or any other foreign power and the Chinese Government which are likely to, or may possibly, terminate in an interruption of diplomatic relations, and if, in your opinion, there is any cause for the exercise of more than ordinary caution in the prosecution of our commercial operations in this country.

We may mention, that it has been our custom to leave with our Representatives at the northern ports, merchandize and specie of an important value for the conduct of business during the winter months, now rapidly approaching; and we are earnestly desirous to be assured that there is no cause for anxiety, either as to the personal safety of our Agents themselves, or as to the security of the property left under their charge.

We remain, &c.

(Signed) JARDINE, MATHESON, AND Co.

Inclosure 3 in No. 83.

Consul Medhurst to Messrs. Jardine, Matheson, and Co.

Gentlemen, *Shanghae, September* 13, 1870.

I BEG to acknowledge the receipt of your letter dated the 9th instant, inquiring what official information I propose as regards the existing political situation at Peking and its probable effects upon peaceful relations with China.

I have, like yourselves, been informed by what has appeared in the public prints of the deplorable events that have recently occurred at Tien-tsin, and of the action taken with respect thereto by the Representatives for France and Belgium at Peking. But I have no official advices whatever on the subject from Her Britannic Majesty's Chargé d'Affaires.

I gather from this fact that Her Britannic Majesty's Chargé d'Affaires does not contemplate any immediate prejudice to British interests from present complications, but I shall, nevertheless, place a copy of your communication in his hands without delay, and he will, no doubt, be in a position to afford you the information you desire or otherwise relieve your anxiety as regards the future.

Your, &c.
(Signed) W. H. MEDHURST.

No. 84.

Earl Granville to Sir E. Thornton.

Sir, *Foreign Office, November* 5, 1870,

I TRANSMIT to you herewith, for your information, copies of a letter from the Admiralty and its inclosures respecting the conveyance of American missionaries from Che-foo in Her Majesty's ship "Grasshopper," at the instance of the United States' Consul.*

I am, &c.
(Signed) GRANVILLE.

No. 85.

Mr. Wade to Earl Granville.—(Received November 7.)

My Lord, *Peking, August* 20, 1870.

I INCLOSE copy of a despatch received yesterday from Mr. Lay, acting as Consul at Tien-tsin, and my reply to it.

I do not attach much importance to such reports as it contains. Under the circumstances, however, I conceive it my duty not to leave them unnoticed.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure 1 in No. 85.

Acting Consul Lay to Mr. Wade.

Sir, *Tien-tsin, August* 11, 1870.

DURING your recent stay in Tien-tsin, I had the honour to report personally to you whatever came under my observation. I now resume my report on the state of matters here.

The city of Tien-tsin has, since your departure, continued to be quiet up to this date, although many rumours are flying about. It is currently reported, for example, that the lately degraded Prefect of Tien-tsin, who was forwarded with the Chih-hsien to Pao-ting-fu previous to being sent on to the Board of punishments, has suddenly disappeared and cannot be found; and that Tseng Kwo-fan has become impatient at the delay in the transmission of these two officials.

Six of the persons who murdered the Russian subjects on the 21st of June have been captured, according to common report.

Li Hung-chang is said to be on his way here with 25 liang of troops, and to have already reached Pao-ting-fu.

Nearly all the rowdy natives of Tien-tsin are reported to have cleared out of the city and to have gone to the towns in the neighbourhood.

Having been informed that fans, on the face of which the massacre of foreigners at, and the burning of the French Cathedral, are represented, are being sold in the streets, I sent and procured a few. I send you one of these, and you will probably find it interesting as showing the popular idea of the affair. The Chih-hsien is said to be the official represented standing near the Cathedral. I am sending messengers to try to find copies of similar representations of the massacre at the Jen-tzu-tang.

August 13, 1870.—My efforts to find the last named fans have been unsuccessful,

* No. 82.

and near that none have been exposed for sale. I wait to see what action the Chinese authorities will take with respect to the continued sale of the other fan.

I am informed by my Chinese writer that 20,000 troops have arrived in different bodies near Tien-tsin, and that they are quartered from the west gate on as far as Ching-hai-hsien, 50 li from this city.

The most idle and exciting stories are now prevalent, such as that Ch'ung Hou, on his way up to Peking, was attacked near Ho-hsi-wu by the Chinese, and pitched into the river. Others state that he has been stopped in his journey, put in chains, and ordered to be carried on in that state to Peking. The Tien-tsin people appear to bear his Excellency no good-will, as he is represented to have bribed Tseng Kwo-fan into his present state of inaction. Some individual, too, has managed to make many people believe that an underground communication between the Emperor's Palace in Peking and the French Legation has been discovered.

August 14, 1870.—The arrival of 600 additional troops from Pao-ting-fu yesterday is reported. An impression exists among the lower classes that hostilities with the French will commence on the 25th instant. They are said to be eager for that event, being desirous of plundering the foreign steamers and hongs. The merchants and people of substance are said to be averse to war.

I inclose you another fan showing on its face the attack on the French Cathedral in another style. Chen Kwo-jui and the Prefect of Tien-tsin are said to be the two officials who figure on it.

August 15, 1870.—The authorities have at last taken action for putting down the sale of fans I have written about, and for the suppression of the exciting rumours that are prevalent. The Acting Prefect Ma has just called on me, and shown a copy of a Proclamation issued to-day by the Taoutae, himself, and the Chih-hsien, having the above for its object. He tells me that between sixty and seventy copies have been prepared. I send you a translation of the same, and leave you to form your own opinion of the rest of its contents.

August 16, 1870.—The Proclamation referred to above appears to have had some effect, as I have to-day found the greatest difficulty in procuring specimens of the fans lately on sale.

August 17, 1870.—Li Hung-chang appears to be on his way here, as his advanced guard, consisting of 500 cavalry, arrived in Tien-tsin yesterday.

I shall not fail to apprise you of any other items of news that I may hear.

Your, &c.

(Signed) W. H. LAY.

P. S.—A translation of the Prefect's Proclamation will be sent by the next opportunity, but up to the present moment there has been no time to prepare it.

W. H. L.

Inclosure 2 in No. 85.

Mr. Wade to Acting Consul Lay.

Sir, *Peking, August* 19, 1870.

I RECEIVED only to-day your despatch of the 11th instant. Most of the rumours it notices had already reached Peking. You do quite right, however, in reporting them to me. I need hardly caution you, at the same time, to be slow to accept all news of the kind as true. I know how completely I may count upon your own coolness of head, and the best answer of those who more readily believe in impending danger is that the force now before the foreign settlement thoroughly guarantees its security.

Anything is possible in China, but I have understood from the first that the Governor-General would not be able to seize the persons belonging to the dangerous classes, who were more particularly the agents of crime upon the day of the massacre without a force of his own. If the troops now arriving are intended to act against the fire brigade and the Hun Sing Tzu, then I read the Proclamation you have forwarded as a hint to the notables or literati (who have been equally suspected by foreigners of sympathy, if not of co-operation, with the mob) that they are not going to be interfered with.

The whole may have a different bearing, but it seems to me certainly to admit of the above interpretation. Meanwhile, be careful not to commit yourself to the public either way, but do your best to reassure people by reminding them, as I have said, that personally they have nothing to fear.

You will be glad to hear that M. de Rochechouart and myself, starting on different days, made the journey to Peking in perfect safety. The Minister Ch'ung Hou arrived five days ago.

I am, &c.
(Signed) THOMAS FRANCIS WADE.

No. 86.

Mr. Wade to Earl Granville.—(Received November 7.)

My Lord, *Peking, August* 20, 1870.

I INCLOSE copy of the deposition of M. Nefediew, a Russian merchant of Tien-tsin who, with two of his countrymen, was saved from death during the massacre of the 21st June. The chief interest of the story consists of this—that they escaped because their pursuers became satisfied of their nationality.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure in No. 86.

Deposition of M. Néfédiew.

LE $\frac{9}{21}$ Juin à midi, moi, M. Antonfiew, et mon commis M. Cotelincow, tous habitant la ville Chinoise, nous nous étions rendus à déjeuner chez M. Bourdatchew, qui logeait également dans la ville Chinoise. Quelque temps après notre arrivée les domestiques Chinois de M. Bourdatchew nous dirent qu'une grande foule s'était rassemblée devant le Consulat de France; ils ne surent pas nous en dire la cause. Poussés par la curiosité, nous nous rendîmes sur le bord de la rivière, et nous vîmes que, quoiqu'il y eût un attroupement devant le Consulat Français, la foule était beaucoup plus grande tout le long de la rivière. On ne voyait, cependant, rien de particulier qui eût pu fixer l'attention. Nous retournâmes chez M. Bourdatchew sans nous faire expliquer ce qui se passait, ayant surtout en vue de nous éloigner au plus vite de la foule, qui s'était portée vers la rivière, pour ne pas nous attirer son attention. Nous trouvâmes chez M. Bourdatchew M. et Madame Protopopow, ainsi que M. Bassow, invitées également à déjeuner, et venus de Tze-chu-lin.* Leur ayant raconté tout ce que nous avions vu, nous nous mîmes tranquillement à table, n'attachant aucune importance au rassemblement du peuple dont nous venions d'être témoins, et ne soupçonnant pas la possibilité d'évènements sérieux.

Après le déjeuner nous restâmes quelque temps, quand tout-à-coup les Chinois nous apportèrent la nouvelle que la populace avait jeté dans l'eau l'église Catholique, Ne comprenant pas complètement le sens de ces paroles, nous nous rendîmes tous, excepté M. Bourdatchew, à ma demeure. Nous partîmes à pied et arrivés chez moi nous décidâmes d'aller voir sur la rive du fleuve ce qui se passait de l'autre côté. L'église Catholique était intacte, et un moitié seulement du Consulat Française était démolie: partout aux bords de la rivière il y avait une masse du peuple. Cependant, ne sachant à quel point l'agitation dans la ville était menaçante, nous nous dirigeâmes vers ma maison, et nous demandâmes conseil aux Chinois qui étaient à mon service, s'il fallait que nous restions dans ma maison jusqu'à ce que le peuple se fût dispersé, ou bien si nous devions aller à Tze-chu-lin; nous ne reçûmes d'eux aucune réponse catégorique, et nous décidâmes ensuite d'aller plutôt à Tze-chu-lin.

Puisque M. Protopopow et sa femme, ainsi que M. Bassow, en venant de Tze-chu-lin, avait déjà des chaises-à-porteurs, moi, M. Antonfiew et Cotelincow nous ordonnâmes à nos domestiques de nous en faire venir aussi; mais au bout de quelque temps ces derniers vinrent nous dire qu'ils ne pouvaient pas nous louer des chaises-à-porteurs, n'en ayant trouvé nul part. Cette circonstance nous obligea à nous séparer. Les Protopopow et Bassow, dans leurs chaises, allèrent un peu avant; et moi, avec MM. Antonfiew et Cotelincow, nous les suivîmes, en prenant la même route.

Nous partîmes par le côté de Hé-doune (east of the river), car, étant déjà sortis une première fois de ma demeure, nous vîmes que tout le pont était occupé par le peuple, et qu'il n'y avait pas moyen de regagner le bord opposé de la rivière. Cependant, en nous mettant en marche nous n'avions pas même idée que nous pourrions être exposés à un sérieux danger. Cela se passait à 2 heures de l'après-midi, et autant qu'on a pu en juger après, juste au moment où la forte agitation commençait dans la ville.

* The foreign settlement.

En passant par la rue de Si-loun-tze, en face d'une ruelle donnant sur cette rue, nous aperçûmes dans la ruelle un parti de quelques dizaines de Chinois qui s'approchait déjà vers le point où cette ruelle débouche sur la rue de Si-loun-tze; à la tête de ce parti se trouvait un Chinois avec une crécelle en mains, comme s'il appelait le peuple au feu; cette foule était armée de crocs, de couteaux, de bâtons, &c., et elle se hâtait apparemment de se joindre à la populace qui s'agitait auprès du Consulat Français et sur le quai. Nous étant hâtés de passer la ruelle avant que la foule en soit sortie, nous eûmes ainsi le temps de nous en éloigner avant d'avoir attiré son attention sur nous. C'est ainsi que, hors de la vue de ces gens, nous quittâmes la rue de Si-loun-tze et nous courûmes par une des ruelles suivantes; ensuite nous vîmes qu'il nous était en tout cas nécessaire de retourner dans la rue de Si-loun-tze, et de suivre notre chemin par cette rue ou en général par la grande route.

Arrivés à l'endroit où la rue de Si-loun-tze débouche sur la place, nous vîmes dans le lointain le peuple courant sur cette place. (Il faut supposer que c'étaient les mêmes gens qui massacrèrent les Protopopow et Bassow, qui nous précédaient.) Seulement, dans ce moment là nous n'avons pas même soupçonné que l'assassinat venait d'avoir lieu.

Quoique nous voyions que notre position n'était pas hors de danger, nous devions cependant avancer; le peuple qui se trouvait près de nous et sur les toits des maisons nous ayant aperçus commença à faire des signes de main et à crier "Tcheli-lai," en appelant les siens pour nous attaquer. L'ayant compris, nous décidâmes de tourner de côté vers une guérite qui se trouvait environ 100 sagènes de la route près d'un entrepôt de "yao-lian." Arrivés là, nous entrâmes dans la guérite sans aucune résistance de la part du gardien. M. Cotelnicow insistait sur la nécessité de continuer à fuire, mais voyant que la fuite était pour nous encore plus dangereuse, et même impossible, j'ai déclaré que je restais dans la guérite à attendre ce qui arriverait. Mes compagnons ont consenti à rester avec moi, et tous les trois nous sortîmes de la guérite et nous nous assîmes dehors à côté de la porte dans l'intention d'y attendre la populace qui accourait vers nous de tous côtés.

Le Chinois qui accourût le premier s'approcha de nous, sortit du fourreau un long couteau, et en l'agitant devant nous commença à nous questionner pour savoir qui nous étions, des Français ou non. Ces questions durèrent, à ce qu'il me semble, environ un quart d'heure. Plusieurs individus de cette foule demandaient à nous tuer, mais le Chinois* qui était le premier à nous questionner,—comme s'il était convaincu enfin que nous étions des Russes,—nous défendait avec quelques autres Chinois, en disant, "Ce sont des Russes, négociants; ils ne sont coupables de rien, et ils n'ont rien de commun avec les Français." Enfin, il fut décidé qu'on nous conduirait chez quelque Mandarin. Mais nous déclarâmes que nous n'irions avec eux qu'à la condition que nous aurions leur parole d'être défendus par eux contre tous ceux qui voudraient nous attaquer sur la route. Ayant accepté cette proposition, la foule, armée d'objets de toute sorte, nous entoura, et nous fûmes obligés, sous la protection des pavillons du corps des pompiers, de nous diriger par le même chemin vers ma maison. A l'arrivée au coin de la rue Tzia-lian-dian-tze, où la rue de Si-loun-tze tourne vers le pout, la foule qui nous conduisait en rencontra une autre venant du pont. De nouveau il s'est écoulé assez de temps en cris et en discussions pour savoir s'il fallait nous tuer ou non; mais cette fois-ci encore nous devions échapper à la mort. Sur ma proposition il fut décidé que nous serions conduits dans ma maison, voisine de là, et ici, pour persuader définitivement la foule que nous étions des Russes, je lui fis voir l'enseigne de ma maison de commerce sur laquelle était écrit entre autres en Chinois, "Vo-go," c'est-à-dire, "de l'Empire Russe." Ainsi, convaincue par cette enseigne que nous étions en effet des Russes, la foule commença à se retirer de ma maison, et nous ordonna de nous cacher dans ma demeure, afin que dans le cas contraire la populace ne nous attaquât pas encore une foi, si nous restions devant les yeux. Cela ce passait vers les 3 heures de l'après midi.

Pendant longtemps encore on a pu entendre le bruit à la porte de ma maison, mais ensuite tout se calma. Entre 3 et 4 heures de l'après-midi nous reçûmes la première nouvelle que les Protopopow et Bassow avaient été massacrés. Alors j'en avertis notre Consul-Général par une lettre au moyen des Chinois. Vers le soir mes domestiques indigènes nous conseillèrent de prendre des vêtements Chinois et de veiller la nuit, afin que dans le cas d'une attaque nous soyions prêts de sortir sans retard dans la cour, et de nous sauver chez un Chinois voisin en passant par dessus le mur. D'apres la déposition des autorités locales, des lanternes ont été allumées dans toutes les rues; il y eut aussi des patrouilles afin de prévenir le pillage et les désordres. Les habitants de la ville ne dormaient pas non plus, pour veiller sur leurs maisons. De notre côté, moi et

* Ainsi que cela fut ultérieurement prouvé, ce Chinois, nommé Fan-lu, venait souvent chez mes compradores, et me connaissait; mais il le cachait à la foule, apparemment pour ne pas s'exposer lui-même au danger que pour nous sauver plus surement; il simula qu'il commençait à se convaincre que nous étions des Russes seulement après un interrogatoire le plus impartial et le plus sévère.

M. Antonfiew nous eûmes la précaution de louer chacun trente hommes de pompiers du quartier pour garder nos demeures. De pareilles gardes ont été entretenues par nous pendant sept jours. C'est ainsi que nous passâmes la nuit du 9 au 10 Juin, dans un état extrême de trouble.

(Translation.)

ON the $\frac{9th}{21st}$ June, at mid-day, I, M. Antonfiew, and my clerk M. Cotelincow, all living in the Chinese town, had gone to breakfast with M. Bourdatchew, who also lived in the Chinese town. Some time after our arrival the Chinese servants and M. Bourdatchew told us that a great crowd had assembled before the French Consulate; they could not tell us the reason. Actuated by curiosity, we went to the bank of the river, and we saw that, although there was a mob before the French Consulate, the crowd was much greater all along the river.

We saw, however, nothing particular to attract our attention. We went back to M. Bourdatchew's without having had explained to us what was going on, our object especially being to get away as quickly as possible from the crowd, whose direction was towards the river, so as not to attract its attention. We found at M. Bourdatchew's M. and Madame Protopopow, invited to breakfast as well as M. Bassow, and come from Tze-chu-lin. Having told them all that we had seen, we quietly sat down to table, attaching no importance to the gathering of the populace of which we had just been witnesses, and not suspecting the possibility of serious events.

After breakfast we stayed some time, when all suddenly the Chinese brought us word that the populace had thrown the Catholic Church into the water. Not thoroughly understanding the meaning of these words, we all, with the exception of M. Bourdatchew, went to my house. We went on foot, and, on arriving, we decided to go and see on the river-side what was passing on the other bank. The Catholic Church was untouched, and only half the French Consulate was demolished; everywhere on the bank of the river was a mass of people. Nevertheless, not knowing to what degree the agitation in the town was threatening, we directed our steps towards my house, and asked advice from the Chinese who were in my service as to whether we must stay in my house until the populace should be dispersed, or whether we ought to go to Tze-chu-lin; we received no categorical answer from them, and we thereupon decided in favour of going to Tze-chu-lin.

As M. Protopopow and his wife, as well as M. Bassow, having come from Tze-chu-lin, had already sedan chairs, I, MM. Antonfiew and Cotelincow, ordered our servants to bring us some also; but after some time these latter came to tell us that they could not hire us sedan chairs, not having found any anywhere. This circumstance forced us to separate. The Protopopows and Bassow in their chairs went a little in advance; and I, with MM. Antonfiew and Cotelinow, followed them, taking the same road. We went by the He-doune (east of the river), for, on going out the first time from my house, we saw that all the bridge was occupied by the populace, and that there were no means of gaining the opposite shore of the river. Nevertheless, on setting out, we had not even an idea that we could be exposed to a serious danger. That took place at two o'clock in the afternoon, and, as far as one can subsequently judge, just at the time when the violent agitation took place in the town.

In going down the Si-loun-tze Street, opposite an alley running into that street, we perceived in the alley a party of some tens of Chinese which was already near the point where this alley runs into the Si-loun-tze Street; at the head of this party was a Chinaman with a rattle in his hands, as if he was calling the people to a fire; this crowd was armed with crooks, knives and sticks, &c., and it was apparently hurrying to join the populace which was in agitation near the French Consulate and on the quay. Having hastened to pass the alley before the crowd came out of it, we thus had time to get away before we had attracted their attention. It was thus that, out of sight of these people, we left the Si-loun-tze Street, and ran by one of the next alleys; afterwards we found that, in any case, it was necessary to return into the Si-loun-tze Street, and to pursue our way by this street or by the main road.

On arriving at the spot where the Si-loun-tze Street opens into the square, we saw in the distance people running into this square. (It must be supposed that these were the same people who massacred the Protopopows and Bassow, who preceded us.) Only, at that moment we did not even suspect that the assassination had just taken place.

Although we saw that our position was not without danger, we were still obliged to advance; the people who were near us, and on the roofs of the houses having perceived

* The foreign settlement.

us, began to make signs with their hands and to cry out "Tcheli-lai," calling upon their people to attack us.

Having understood this, we decided upon turning aside towards a watch-tower which was about 100 sagenes of the way towards a shop of "Yao-lian." On arriving there, we entered the watch-tower without any resistance on the part of the man in charge.

M. Cotelincow insisted upon the necessity of continuing to fly, but seeing that flight was still more dangerous for us, and even impossible, I declared that I would remain in the watch-tower to wait for what might happen. My companions consented to stay with me, and we all three went out of the watch-tower, and sat down outside by the side of the door with the intention of waiting there for the populace which was running towards us on all sides.

The Chinaman who ran up the first, approached us, drew from its sheath a long knife, and, brandishing it before us, began to question us to know if we were French or not.

These questions lasted, it seems to me, about a quarter of an hour. Several persons in that crowd demanded our death, but the Chinaman* who was the first to question us—as if he was at last convinced that we were Russians—defended us with some other Chinamen, saying "They are Russians, merchants; they are guilty of nothing, they have nothing in common with the French." At last it was decided that they should take us before some Mandarin. But we declared that we would go with them only on condition that we should have their word that they would defend us against all those who wished to attack us on the way.

Having accepted this proposition, the crowd, armed with all sorts of implements, surrounded us, and we were obliged, under the protection of the flags of the body of firemen, to go the same way towards my house. On arriving at the corner of the Tzia-lian-dian-tze Street, where the Si-loun-tze turns towards the bridge, the crowd which was conducting us met another coming from the bridge. Once more a considerable time was spent in cries and in discussions as to whether we ought to be killed or not; but again this time we were to escape death. At my proposal it was decided that we should be taken to my house, in the neighbourhood, and there, to decidedly persuade the crowd that we were Russians; I showed the sign of my commercial house, on which was written, among other things in Chinese, "Vogo," that is to say "of the Russian Empire." Thus, convinced by this sign that we were really Russians, the crowd began to withdraw from my house, and ordered us to hide ourselves in my dwelling, so that the populace should not attack us another time, if we stayed before their eyes.

For a long time one was still able to hear the noise at my house-door; but afterwards everything became quiet. Between 3 and 4 o'clock in the afternoon we received the first news that the Protopopow's and Bassow had been massacred. Then I informed our Consul-General of it by a letter by means of the Chinese. Towards evening my native servants advised us to take Chinese clothes, and to sit up through the night, so that in case of an attack we might be ready to go out without delay into the court, and to fly to a Chinese neighbour, by getting over the wall.

According to the deposition of the local authorities, lanterns were lit in all the streets; there were also patrols to stop pillage and disorders. The inhabitants of the town also did not sleep, so as to watch over their houses. On our side, I and M. Antonfiew took the precaution of hiring thirty men each of the fireman of the quarter, to guard our dwellings. Similar guards were kept by us for seven days. It is thus that we passed the night of the 9th-10th June, in a state of extreme anxiety.

No. 87.

Mr. Wade to Earl Granville.—(Received November 7.)

My Lord, *Peking, August* 20, 1870.

IN a conversation I have had this day with M. Butzow he assured me that between this city and Kalgan the country is perfectly tranquil. A Russian interpreter whom he has sent to Kalgan reports that there are everywhere proclamations directing the people to behave well to foreigners, and that he has been more civilly treated than usual.

From the south of the province, on the other hand, the Jesuits write that some of the lettered class are getting up an agitation against the Romanists.

* As was subsequently proved, this Chinaman, called Fan-lu, often came to my compradors, and knew me; but he concealed it from the crowd, apparently so as not to expose himself to danger, to save us with more certainty; he pretended that he began to be convinced that we were Russians only after a most impartial and severe interrogation.

An Imperial Decree of yesterday morning directed the local authorities in a western district to seize a man of certain brevet rank who, as a leader of volunteers, was levying contributions on the people for war supplies. He had been denounced by the Governor-General Tseng Kwo-fan. From his memorial, since published, it seems that the supplies were demanded for the war against the Mahometans in the north-west.

I have, &c.

(Signed) THOMAS FRANCIS WADE.

No. 88.

Mr. Wade to Earl Granville.—(Received November 7.)

My Lord, *Peking, August* 25, 1870.

I HAVE the honour to inclose copy of a letter from Vice-Admiral Sir Henry Kellett and of my reply to it.

Rumours have been in circulation: first, of the assassination of myself and M. de Rochechouart; and, subsequently, of an intending rising on the part of the Chinese either at Tien-tsin or at Peking, or at both places. These I presume had made the Admiral anxious for our safety.

I have earlier reported the object of my visit to Tien-tsin. So far as the Admiral was concerned, I was desirous of conferring with him on the steps to be taken for the security of British subjects in the north of China, in the event of hostilities being commenced by the French Navy. I found that no hostilities, for the present at all events, were in contemplation, and I therefore conceived the immediate question of our security in the north, for the time being disposed of.

As to the farther question, whether the slowness of the Chinese Government to do its duty in the matter of the Tien-tsin massacre, will oblige us to assume that the north cannot be a safe place of residence for foreigners during the winter months, we are not yet in a position to decide. As I have before stated, the end of September will be full soon for a decision that we must withdraw, and, as I have told Sir Henry Kellett, my own opinion is against the probability that our withdrawal will be necessary.

We must be prepared for some months to come, for every kind of disquieting theory regarding the action and the inaction of the Chinese.

I have, &c.

(Signed) THOMAS FRANCIS WADE.

Inclosure 1 in No. 88.

Vice-Admiral Sir H. Kellett to Mr. Wade.

Sir, *"Salamis," at Che-foo, August* 16, 1870.

I REGRET to inform you that the daily increasing number of disquieting rumours which reach me of threatened risings of the mob at Tien-tsin and Peking, and other very unsatisfactory reports, going so far, indeed, as the assassination of yourself and M. Rochechouart, the pillage of your residence, &c., compel me to ask your opinion as to the real condition of affairs in the north of China.

I cannot understand how a Government which has attributed to it the power of maintaining friendly relations with other countries can allow foreign merchants and their women and children and others to remain in constant fear of their lives from the brutality of the lower orders without declaring their abhorrence of such atrocities, and endeavouring by exemplary punishment of offenders, and reassuring Proclamations, to restore confidence and good order. As it is, the most mischievous and alarming reports are rife; placards and illustrated fans are published, bringing foreigners into contempt, all of which must be perfectly well known to the Mandarins: but there is no action taken whatever to suppress these mischievous publications or to contradict the objectionable and false stories in circulation, nor, as far as I know, any steps taken to keep the peace. Vast numbers of troops are poured into Tien-tsin, in close proximity to the vessels of war assembled in the Peiho to remove on board the women and children in case of a repetition of the events of the 21st June, but up to this time no communication has reached me as to the necessity or cause of such a concentration of military force, nor am I in the least aware what aspect our political relations have assumed, nor what is about to happen.

Under these circumstances I have the honour to request you will inform me, as fully

as you can, what is the power and inclination of the Chinese Government to maintain order? Whether you apprehend any danger in residing at Peking during the winter; if so, what your intentions are with regard to removing from that place, and how I can further them? Whether the Consul is to remain at Tien-tsin during the winter months, or whether you recommend the Europeans to remove until the Peiho is navigable in the spring, in which latter case I shall withdraw the vessels of war, as their retention would be useless—indeed, I wish to learn from you all it is proper I should know, for I confess to considering myself but scantily informed up to this time.

I may mention, that I am aware of the threatened rising of the mob on the 21st instant, and have issued directions to the Senior Naval Officer at Tien-tsin to take all precautions in his power to save our countrymen and their families, and convey them to a place of safety; repelling to the utmost any attack which may be made on the settlement or his ships.

I cannot but think, after the warning we received on the 21st June, of the helplessness or apathy of the Executive during the rising of the mob, it is desirable that all women and children should be at once removed from this neighbourhood, until it is in a more tranquil condition. A Memorandum from you to this effect would place the responsibility of neglect on the heads of families.

It may be that you are much more satisfied with the condition of things than I am; and I shall be rejoiced to be able to share that satisfaction with you. In the meantime I await your reply with anxiety; and, in the event of an emergency, shall act according to my instructions in providing an asylum for those in danger, and in endeavouring by every possible means to remove yourself, your family, and your suite, to a place of safety.

I have, &c.
(Signed) HENRY KELLETT.

Inclosure 2 in No. 88.

Mr. Wade to Vice-Admiral Sir H. Kellett.

Sir, *Peking, August* 22, 1870

I HAVE the honour to acknowledge your despatch of the 16th instant. The rumours of danger affecting M. de Rochechouart and myself had already reached Peking. I am happy to be able to tell you that there has been no semblance of ground for these rumours. The day but one after you left Tien-tsin I started by boat for Tungchow; but, meeting my horse some thirty miles up the river, I left the boat on the morning of the 9th, and rode to Peking. The country was so flooded that my day's journey was not less than sixty miles, no small part of it over ground far in shore of the river, and not commonly traversed by foreigners. I stopped three times at inns, and, whether in these or elsewhere, I was treated with the greatest civility. Mr. Fraser, with whom I left Tien-tsin, completed his journey to Tungchow by water; so did M. de Rochechouart, and neither gentlemen experienced the slightest inconvenience. The Minister, C'hung Hou, arrived two days later in perfect safety.

I particularize the persons above named because they and myself have all been reported murdered.

I am assured that on the road between Peking and Kalgan there are numerous proclamations desiring the people not to trouble foreigners, and an interpreter of the Russian Legation writes to his chief that he has never travelled with less to complain of.

Thus much for the question of personal security. As regards Tien-tsin, I had heard before my arrival there that the proclamations of the authorities were torn down or defaced, and that the streets were covered with hostile placards. I rode three times through the city and suburbs, once alone, and on the other occasions attended only by my Chinese groom. I could not find a single placard, nor, except in two instances in the suburb near the foreign settlement, had the official notifications been interfered with.

Of the drawing of the massacre to which you refer, I did see one copy. It was much such a drawing as the Cantonese used to make of our collisions with them. It was circulated, I understand, pretty freely a few days later at Tien-tsin; but, in a despatch dated the 15th instant, Mr. Lay informs me that the authorities have taken steps to prevent the sale of the fans on which this drawing was pasted. He had great difficulty in procuring specimens to forward me.

To conclude, I stated to you when I had the pleasure of meeting you at Tien-tsin, although, after what had occurred on the 21st of June, we cannot be anywhere too watchful,

I do not believe that the foreign community is anywhere in danger; certainly not at any point that is accessible to shipping. Even in the interior of the Empire, the news received from the Romanist communities is generally re-assuring. In this province the Romish missionaries report a certain amount of disquiet: part of it the natural consequence of the Tien-tsin catastrophe; part of it due to the agitation of the ill-disposed. In Peking we go about on foot and on horseback as usual, and there has been so far no indication of hostility towards us on the part of either Government or people.

In dealing with the Tien-tsin question, the Government has been, I admit, discouragingly slow, but its difficulties have been great. If there is danger a-head of us, it is only in the north that we shall require to take extraordinary precaution; but we have, in my opinion, ample time before us, and you may rely upon my communicating with you the moment that I conceive any extreme measure, such as withdrawal of the Consulates, or of this Legation, to have become necessary. At present I do not look forward to such a necessity as probable.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

No. 89.

Mr. Wade to Earl Granville.—(Received November 9.)

(Telegraphic.) *Peking, October 26, 1870.*

NO danger in the North. Chinese Commissioner starts for France, Russia [*sic*].

No. 90.

Consul Hughes to Mr. Hammond.—(Received November 14.)

Sir, *British Consulate, Kiu-kiang, September 16, 1870.*

I HAVE the honour to forward a copy of my despatch to Her Britannic Majesty's Chargé d'Affaires, reporting the destruction of a French Missionary Chapel at Wooching, an important trading town, about forty-five miles distant from Kiu-kiang.

I am, &c.
(Signed) P. J. HUGHES.

Inclosure in No. 90.

Consul Hughes to Mr. Wade.

Sir, *Kew-kiang, September 14, 1870.*

I HAVE the honour to report that on the night of the 11th instant, the 15th of the 8th moon, the French missionary chapel at Woo-ching, on the Poyang Lake, was destroyed. The natives in charge appear to have taken to flight. Some women belonging to the families of native Christians are said to have been seized by the mob and delivered to the local mandarin.

No Europeans were at the time in Woo-ching.

Woo-ching is, you are aware, a large trading town, where European visitors have been hitherto treated with civility. Lately, placards and pamphlets of a nature calculated to inflame the minds of the people have been circulated. I called the Taoutae's attention to the matter by private note in the beginning of August, subsequently in conversation, and again on the 10th instant, when I mentioned the rumour that the chapel was to be destroyed the following day. He promised to give the necessary orders to insure tranquillity, but I have not heard that any steps were really taken with this object, and the placards and pamphlets bore their usual fruit.

I sent word to the Taoutae to-day that I proposed to call upon him, but the messenger was told that I had better defer my visit, as the soldiers and refugees were so numerous in the city. He sent, however, a deputy to this office, and I explained to this official the advisability of taking measures to prevent evil-disposed persons elsewhere in this province from following the example given at Woo-ching, which, I added, would probably be imitated, unless the guilty were promptly seized and punished.

It is right that I should add that, as far as Kiu-kiang itself is concerned, the Taoutae

has shown some anxiety to prevent disturbance. The tone he adopts in his correspondence with me is friendly; and a proclamation was lately issued by him and the Chêntai, referring to the friendly relations which had long existed here between natives and foreigners, and threatening with punishment persons who spread disquieting reports, attributing the collection of troops for drill and inspection to any other object than the fulfilment of an obligation prescribed by military routine.

If, however, the class opposed to foreigners choose to select Kiu-kiang as a field for their operations, I do not think we can implicitly rely on the local authorities for protection.

Your, &c.
(Signed) P. J. HUGHES.

No. 91.

Earl Granville to Mr. Wade.

Sir, *Foreign Office, November* 15, 1870.

I HAVE received from Mr. Medhurst copies of his correspondence with Messrs. Jardine, Matheson, and Co., respecting the probable effects upon British relations with China of the recent massacre at Tien-tsin; and I have to instruct you to inform Mr. Medhurst that I approve the answer he returned to those gentlemen.

I am, &c.
(Signed) GRANVILLE.

No. 92.

Sir A. Buchanan to Earl Granville.—(Received November 16.)

Extract.) *St. Petersburgh, November* 4, 1870.

IN my conversations with persons who have access to official information, I have found a disposition to consider the hostility of the Chinese to be directed against French subjects alone, and to attribute the massacre and the dangers to which foreigners are at present exposed, to the indiscretion of the Catholic missionaries.

No. 93.

Mr. Wade to Earl Granville.—(Received November 17.)

(Telegraphic.) *Peking, October* 16, 1870.

DECREE on Tien-tsin case published 5th October. Twenty Chinese to be executed immediately; two magistrates exiled.

No. 94.

Mr. Wade to Earl Granville.—(Received November 20.)

My Lord, *Peking, September* 9, 1870.

I HAVE the honour to inclose copies of a correspondence received last evening from Mr. Mayers, acting as Her Majesty's Consul at Che-foo, regarding the removal of the American missionaries from the city of Teng-chow-foo, the department in which the port of Che-foo is situated. I inclose also a copy of my reply to Mr. Mayers.

The missionaries had been made anxious for some days past by news of a nature more or less alarming, but in particular by a report of the approach of 2,000 troops detached from Tsi-nan-foo to garrison Teng-chow; and, on an application from the Vice-Consul of the United States, Sir Henry Kellett, after due deliberation, sent Her Majesty's ship "Barrosa" and a gun-boat to Teng-chow to bring them away. There were embarked on board these vessels three men, five women, and five children, of the missionary body. Two other missionaries, however, remained to arrange, if possible, with the local officials respecting the safé custody of the houses and property of the whole.

I admit that the presence of women and children would in such a case justify great

anxiety. But it does appear to me that, if the authorities are able to guarantee the security of the property committed to their charge, life would have been equally safe.

Mr. Low, Minister of the United States, to whom I have communicated the papers inclosed, informs me that on the arrival of the fugitives, brought in the "Barrosa," at Che-foo, the Taoutae there requested them to return to Teng-chow, and undertook to be answerable for their safety.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure 1 in No. 94.

Acting Consul Mayers to Mr. Wade.

Sir, *Che-foo, September* 2, 1870.

I HAVE to report to you that on the application of Mr. Holmes, the United States' Vice-Consul at this port, the American missionaries residing at Têng-chow-foo, 40 miles distant from Che-foo, were yesterday removed hither by Her Majesty's ships "Barrosa" and "Grasshopper," at the urgent request of the missionaries themselves.

I received a note late on the evening of Tuesday the 30th August from Mr. Holmes, who inclosed to me a letter he had just received from Têng-chow-foo, and intimated his intention of soliciting assistance on the following morning from Vice-Admiral Sir Henry Kellett.

Correspondence took place accordingly on the 31st between Mr. Holmes and the Admiral, who subsequently furnished me with copies of the four letters mutually exchanged, transcripts of which I now inclose for your information.

Having been requested by Admiral Kellett to call on the United States' Vice-Consul after the receipt of his first letter, I found Mr. Holmes apparently sharing my own opinion that the apprehensions entertained by the missionaries of official designs against them were exaggerated, and based on insufficient information, although excusable, doubtless, in view of their exposed position, the prevailing popular excitement, and the anti-foreign spirit evoked by the massacre at Tien-tsin. The reasons given by the missionaries for deciding on immediate removal are set forth in the letter from Dr. Nevins, which is annexed to Mr. Holmes' first communication to the Admiral, in addition to which Mr. Holmes further supplied me with a letter written at the same time by the Rev. Mr. Clapp to Mr. Corbett, of this place, a copy of which I also inclose herewith.

After seeing Sir Henry Kellett I called at his request upon the Taoutae, whom I sounded, in the course of conversation, with reference to affairs at Têng-chow-foo. He professed surprise on hearing that the missionaries were again disturbed by rumours of hostile designs, which he treated with ridicule, and begged me to take notice that he held himself personally responsible for the complete security of the missionaries. I expressed my satisfaction on hearing these assurances from his lips, coupled with the further undertaking, which he volunteered, to write at once to his subordinates at Têng-chow-foo, to take measures for checking the spread of idle reports, and for assuring the safety of the foreign denizens of the town. I did not think it expedient to mention to him that they contemplated immediate removal, as I was still uncertain whether this would actually take place. I communicated to Mr. Holmes the result of my interview with the Taoutae.

In the course of the day further letters came in from Têng-chow-foo, announcing the fixed determination of the missionaries to leave the place at once, and expressing continued alarm. I am permitted by Mr. Holwill, of the Customs, to whom one of these letters is addressed, to forward a copy of it to you, and I inclose the same herewith.

Mr. Holmes hereupon addressed a positive application to Admiral Kellett for the immediate dispatch of a vessel of war, and the corvette "Barrosa" and the gun-boat "Grasshopper" were accordingly ordered to proceed at daylight on the following morning to render assistance as requested. Sir Henry Kellett being desirous that an interpreter should accompany the Commanding Officer to assist him in communications, if necessary, with boat people or others near the vessel, I directed Mr. Solbé to proceed on this service, with instructions, copy of which I inclose. The two vessels reached Têng-chow-foo at about 11 A.M., and the embarkation of the missionaries and their families was completed by 3 P.M. without any difficulty or molestation on the part of the people. The number brought away consisted of three men, five women, and five children, two of the missionaries remaining behind to arrange, if possible, with the local officials respecting the safe custody of their houses and property.

The Rev. Dr. Nevins called upon me this morning and explained to me at some

length the reasons which had actuated himself and his colleagues in retiring from Têng-chow-foo. Without entirely giving credence to the numerous reports of malignant intentions toward the missionaries and foreigners generally, which emanated, they were informed, from the Governor of the Province, they nevertheless thought their position so insecure as to leave them no option but to abandon it. The circumstance giving the greatest cause for alarm, among a multitude of minor incidents, was the reported approach of a reinforcement of 2,000 men to the garrison of Têng-chow-foo, who were said to be marching from the provincial capital. It appears to have been openly stated throughout the city that the foreigners would be murdered on the 10th of this month (the 15th of the 8th moon), and it was thought that the constant repetition of such a prediction, unhindered by the presence of any protective force, might work its own fulfilment through the excitement of the masses, even if no such design had originally existed. The resident missionaries are, it may be presumed, the best judges with regard to the steps it behoved them to take in view of their feelings of necessity and the known faithlessness of the Chinese officials; but I cannot repress a feeling of regret that so much encouragement should have been given to the anti-foreign party as their withdrawal from Têng-chow-foo will, I conceive, result in.

I am apprehensive that their departure will not only produce a profound impression locally, but, being reported in an exaggerated form in distant parts of the country, may be expected to embolden the hostile spirit which appears to have grown up of late.

I have, &c.
(Signed) W. F. MAYERS.

Inclosure 2 in No. 94.

The Rev. C. Mateer to Mr. Holwill.

Dear Holwill, *Têng-chow, August* 30, 1870.

YOU will no doubt have learned before this reaches you that we are getting scared-up in Têng-chow. I have not time to write you the particulars; they have been written in full to the American Consul. I am still, however, inclined to think that we are worse scared than hurt. I believe there is danger, but I doubt if it is great enough to justify us in leaving. I have expressed my views to the others, but they carry it against me; and, of course, I must act with the rest. I don't think I am less sensible to the danger than the rest, but I am willing to run greater risk for the sake of the interests that are at stake. I have not yet made up my mind to go with the rest; but, of course, I cannot tell till the time comes. It is possible that the knowledge of the fact that we are "mobilizing" may develop things that we are not looking for. I hope that the steamer that comes will come prepared to stay at least one day, as it will be impossible for us to settle up our affairs with the Mandarins (conveying our houses, &c., to them) in less than, at least, one day. I have never taken a step in my life that goes so against every principle of my nature. It is certainly the greatest trial I have ever met with. To know what it costs to leave here one must have lived here for seven years and laboured as I have. I am most distressed for our school. I fear the disbanding of it will be disastrous. I can only say, God's will be done. It may be wise to leave, and it may be a piece of folly. I wish others could have been persuaded to wait for a little more light. Pray for us that we may be guided aright and preserved from all evil.

Yours fraternally,
(Signed) C. W. MATEER.

Inclosure 3 in No. 94.

The Rev. E. Clapp to Mr. Corbett:

My dear Brother Corbett, *Têng-chow, August* 31, 1870.

IF Mrs. Morrison's goods and the glass recently purchased by Mr. Rae have not yet started, will you please immediately stop them?

The rumours here have become so definite and alarming that we have all advised Mrs. Morrison to go to America, and she will do this immediately, coming to you in a very few days, probably during this week. We have this evening had a meeting of all the missionaries here, at which we decided to leave this place immediately, and Dr. Nevins is now writing to Consul Holmes on our behalf, asking him if possible to send a man-of-war

for us on Thursday, or if not a man-of-war a steamer. Every one thought this our only proper course except Mr. Mateer, who also, however, agreed that our circumstances were dangerous, and yielded to the majority.

We therefore request you to rent for us Presbyterian missionaries here Captain Ramsey's house on Signal Hill, which we understand is vacant, or some other house that you may be able to obtain inside the walls.

The reports we have heard, and which lead to this action, Dr. Nevins writes fully to the Consul. They are that the Che-hien here a few days ago returned from Chi-nan-foo and, without stopping, went on to Che-foo to the Taoutae. Immediately on his return a few days ago, consultation was held with the influential men here, and these consultations have been numerous since. It appears that Tsêng Kwo-fan had issued orders which have been indorsed by the military authorities at Chi-nan-foo, and have been sent over this province, to stir up the populace to massacre us on the 15th day of this 8th native month, the day memorable for an ancient extermination of the Tartars. The officers here and a large part of the population are averse to it, but a strong party favour it, and therefore the dissensions are protracted, and the issue not doubtful. Mr. Lin, the elder, has been urged to leave this place before the 15th, and so has one of Mr. Hartwell's servants. Mr. Crawford's people have been in quite a panic on account of the reports on the street. At Chi-nan-foo it is said there are 60,000 troops gathered; that there will probably be a camp here, 2,000 men being expected here perhaps on Thursday next with the chief military officer here returning from Chi-nan-foo. This is not certain. The Yamên underling, who gave the report, guessed it was because, in event of war, this town will be the next place attacked after Tien-tsin, if the Chinese should be successful against the foreigners, and we might be wanted as hostages, and, at any rate, this town would require defence. These are the important points reported, but there were other influential ones I cannot now write.

If a trunk sent by Mr. Wherry has not yet started, please detain it for me; and please urge Consul Holmes to come by all means.

Very truly yours, &c.
(Signed) EDWD. P. CLAPP.

Inclosure 4 in No. 94.

Mr. Holmes to Vice-Admiral Sir H. Kellett, August 31, 1870.

[See Inclosure 2 in No. 82.]

Inclosure 5 in No. 94.

The Rev. J. Nevins to Mr. Holmes, August 29, 1870.

[See Inclosure 3 in No. 82.]

Inclosure 6 in No. 94.

Vice-Admiral Sir H. Kellett to Mr. Holmes.

Sir, *"Salamis," Che-foo, August* 31, 1870.

I HAVE the honour to acknowledge the receipt of your despatch of this date, inclosing a letter from the Rev. Dr. Nevins, of Têng-chow, representing that, in consequence of certain alarming reports, the American missionaries are desirous of removing themselves and their families to Che-foo, and requesting that if I consider it necessary, as there is no United States' vessel of war present, I will send an English gun-boat to bring them away.

In reply, I beg to point out to you that you, as the United States' Consul, are the proper person to decide as to the necessity, on the evidence before you, of removing these American citizens; but I need not assure you that if I received any requisition from you to afford succour to them, I should comply with it if able.

Just at this moment the only suitable vessel, the "Grasshopper," gun-boat, is under repair and unfit for sea; but I have reason to believe that if on reflection you consider that assistance should be sent to Dr. Nevins and his colleagues, an application to the

proper authorities will result in the despatch of the Chinese gun-boat now in harbour to Têng-chow to bring them away.

My information leads to the opinion that the apprehensions of the missionaries are greater than necessary, and it is worth bearing in mind that their withdrawal simultaneously from Têng-chow, which is not a Treaty port, and forsaking their houses and property, will probably give them much embarrassment in the future, as opposition will certainly be actively made to their return by the anti-foreign party.

I have, &c.
(Signed) HENRY KELLETT.

Inclosure 7 in No. 94.

Mr. Holmes to Vice-Admiral Sir H. Kellett, August 31, 1870.

[See Inclosure 4 in 82.]

Inclosure 8 in No. 94.

Vice-Admiral Sir H. Kellett to Mr. Holmes.

Sir, *Che-foo, August* 31, 1870.

I HAVE the honour to acknowledge your second despatch of this date, in which you still desire I will send a vessel to bring away American missionaries from Tèng-chow, and in reply I beg to inform you that I find Her Majesty's gun-boat "Grasshopper" can be made ready for sea by to-morrow morning, and will proceed on this service at daylight.

On arrival at Têng-chow she will anchor off the town, hoist her ensign at the mast-head, and be prepared to receive any American citizens and their families, and domestic servants, but no other persons.

The Commander of the gun-boat will not land, nor send boats ashore; and I request you will have the goodness to send a despatch to Dr. Nevins by the "Grasshopper," impressing upon him the urgent necessity of the embarkation taking place without delay.

I have, &c.
(Signed) HENRY KELLETT.

Inclosure 9 in No. 94.

Acting Consul Mayers to Mr. Solbé.

Sir, *Che-foo, August* 31, 1870, 11 P.M.

AT the request of Vice-Admiral Sir Henry Kellett, I have to direct you to accompany the Commander of Her Majesty's ship of war which is to be sent at daybreak to-morrow morning, in compliance with the request of the United States' Vice-Consul at this port, to remove the American missionaries residing at Têng-chow-foo. You will render any service that may be necessary to the commanding officer in interpreting with the Chinese boat-people or others who may approach the vessel; but I have particularly to request you not to go on shore, or to enter into any communication with the local authorities.

I am, &c.
(Signed) W. F. MAYERS.

Inclosure 10 in No. 94.

Mr. Wade to Acting Consul Mayers.

Sir, *Peking, September* 9, 1870.

I RECEIVED yesterday your despatch inclosing correspondence with the Naval Commander-in-chief regarding the removal of the American missionaries resident at Têng-chow.

I concur in your opinion that their exodus had been better deferred. I approve at the same time of the steps taken by you.

I am, &c.
(Signed) THOMAS FRANCIS WADE.

No. 95.

Mr. Wade to Earl Granville.—(*Received November* 20.)

My Lord, *Peking, September* 9, 1870.

IN my despatch of the 25th of August I inclosed copies of a despatch I had received from Vice-Admiral Sir Henry Kellett, who had been somewhat alarmed by reports regarding our insecurity here and at Tien-tsin, and of my reply to the effect that I did not conceive our position insecure.

This continues to be my opinion, but I thought it desirable that the Prince of Kung should understand the danger generated by rumours of this kind, and the responsibility incurred by the Chinese Government in affording them a chance of propagation by its slowness in dealing with a case of such importance to foreign relations as the Tien-tsin massacre.

Accordingly, on the 29th of August I addressed His Highness a short despatch, of which I inclose a copy; and upon the 5th instant I followed it up, as I had in my first communication stated I should, by another, in which I commented very severely upon the conduct of the inquiry, now in its ninth week of duration, at Tien-tsin.

I have, &c,

(Signed) THOMAS FRANCIS WADE.

Inclosure 1 in No. 95.

Mr. Wade to the Prince of Kung.

Sir, *Peking, August* 29, 1870.

I HAVE received a despatch from Vice-Admiral Sir H. Kellett, now at Che-foo, informing me of the prevalence of rumours to the effect that my life had been attempted in or near Peking, and that in Tien-tsin an attack upon the foreign settlement was in contemplation, and requesting me to state what steps I wished to be taken in order to maintain the security of myself and my countrymen residing in the north of China.

I have replied to the Admiral that I entertain no alarm whatever either for my own safety or for that of others, and I should not, under ordinary circumstances, have troubled your Imperial Highness with any notice of these reports, but I conceive it my duty in the present instance to direct attention to them, because I make no doubt but they are the creation of that class of evil-disposed persons to whose intrigues we are indebted for the excitement that produced the massacre of the 21st of June at Tien-tsin.

I must add that, whatever the object of such persons, whether it be merely to work ill to the foreigner, or by the provocation of a foreign quarrel to embarrass the Government, their enterprise cannot fail to derive encouragement from the languor with which the inquiry into the proceedings of the 21st of June is being conducted. But upon this subject I shall presently have the honour to address your Imperial Highness in a separate despatch.

I have, &c.

(Signed) THOMAS FRANCIS WADE.

Inclosure 2 in No. 95.

Mr. Wade to the Prince of Kung.

Sir, *Peking, September* 5, 1870.

IN continuation of my despatch of the 29th ultimo I beg to submit to your Imperial Highness some observations upon the conduct of the inquiry into the massacre of the 21st of June.

But first, as to that outrage itself: when I wrote upon the 9th of July to acquaint your Imperial Highness that one of the Sisters of Charity murdered in the hospital was a British subject, the Governor-General Tsêng Kwo-fan had not reached Tien-tsin, and the only official documents that I had seen of a nature to throw light upon the events of the 21st of June were a Proclamation issued by the Magistrate Lin earlier in the month, and the notes addressed to the Yamên by the Minister Superintendent Ch'ung Hou, dated respectively the 19th and 21st of June.

From these notes, taken with the reports that reached me from non-official sources,

I conceived myself justified in assuming that the attack on the religious establishments was primarily due to a suspicion on the part of the people that the infants received into these establishments were kidnapped, and that, as no more was heard of them, they were there applied to the horrible purposes for which the Chinese believe their own countrymen are in the habit of mutilating children. Such a suspicion, however inexcusable the acts of violence to which the people resorted, I could not but regard as explaining their exasperation. I have even maintained, on behalf of the local authority, that although it was his undoubted duty to have attempted to calm the people, his Proclamation was not otherwise worded than it would naturally have been, were he really persuaded that kidnapping was a fact.

Upon the 25th of July, however, your Imperial Highness communicated to the foreign Legations a memorial presented by their Excellencies Tsêng Kwo-fan and Ch'ung Hou, and the memorial itself was shortly published in the "Peking Gazette." In this there are various statements of great importance to the question before us. It is sufficient for my present purpose to request your Imperial Highness' attention to two or three of these.

The Memorial shows, in the first place, not only that the children, above 150 in number, taken out of the Sisters' Hospital at Tien-tsin, after the massacre, had been no one of them kidnapped; but that neither in the city nor the suburbs had any parent complained of the disappearance of a child. It goes on to trace the popular excitement which preceded the massacre to the stories published in placards posted in various parts of the Empire; placards asserting that persons were being kidnapped at the instance of the Roman Catholics, and horribly mutilated, in their establishments; the falsity of which assertions, continues the Memorial, was never made known to the people.

Were this last the indisputable cause of the people's excitement, the responsibility of the massacre would rest directly upon the Provincial Government. So far back as the 3rd of March I forwarded to your Imperial Highness copy of one of these documents which had been printed at Ta-ming, in this province, with a request that it might be transmitted to to the Governor-General, and I know that it was transmitted. I sent another copy to Mr. Mongan, Her Majesty's Consul at Tien-tsin, with instructions to him to show it to the Minister Superintendent Ch'ung Hou, and he reported to me that this instruction was obeyed. Why did the Provincial Government not avail itself of this opportunity to disabuse the public mind of impressions so dangerous to peace?

But the admission that no child had been missed in Tien-tsin is of infinitely greater significance. If no children had been kidnapped, who suggested to the people of Tien-tsin that the Romanists were employing agents to kidnap children? If, again, the Governor-General could ascertain, within a few days of his arrival at Tien-tsin, that no parents had complained of the abduction of their children, how could the Prefect and the Magistrate—the "parent officers" of the people—in whose Yamên such complaints, had any been made, would certainly have been filed, be ignorant of the fact that no such complaint had been made? Yet, this being the fact, that no child in Tien-tsin had been kidnapped, the people of Tien-tsin were allowed to remain in ignorance of it. They were known to be becoming daily more irritated against the Roman Catholics as the destroyers of their children; and instead of honestly informing them that no parent had complained of the loss of his child, the authorities issue a proclamation, ambiguously hinting that the kidnappers are acting at the investigation of others. What wonder is it that the people should become exasperated?

Here, for the moment, I leave these magistrates. And now as to the atrocities committed. Although there is no doubt about the popular exasperation, there is the strongest reason to doubt that the destruction of the religious establishments and the murder of their occupants was exclusively the work of the ignorant multitude. The chief actors in the affair are stated to have been the fire brigades, and the banded villains known as the Hun-sing-tzu. These were ready for the attack, and as soon as the gongs sounded fell on, provided with deadly weapons. They were reinforced by soldiers and Yamên followers, and conspicuously directed by a man with the title of Ti-tu, the ex-rebel Chên Kuo-jui. These things are notorious to the foreign community of Tien-tsin, and why? Because they are the talk of the common people. Yet after more than seventy days' delay, what has been done towards the satisfaction of justice? Some few of the lower class of criminals have been arrested, the more important of these not having been discoverable until their names and their whereabouts were supplied by the French Legation. The guilty magistrates were left for twenty days after the massacre at their posts, their energies being devoted throughout that period not to the detection of persons guilty of a share in the crime, but to the examination under torture of unfortunate Christians, from whom it was hoped that confessions might be extorted in such form as to tell favourably

for their persecutors. They are at last committed to the Board of Punishments; then, again, they are ordered to Tien-tsin, but with so little regard for their safe keeping that one is allowed to escape to Mih Yun, the other to Shun-tê-foo. The common people, seeing no punishment inflicted on any one, persuade themselves that the massacre was a meritorious act. Songs are sung in honour of it, and paintings of it are circulated representing officials as approving spectators of the crime. Can your Imperial Highness be surprised that in view of these facts the gravest doubts should be cast by the foreign community upon the good faith, not alone of the provincial authorities, but of the Central Government itself?

I say of the foreign community, for, as I have before observed to your Imperial Highness, this massacre is not only the affair of France—it intimately concerns every State in Treaty relations with China. If it be in the power of designing persons with the favour of the local authority, by appealing to some prejudice or superstition of the people, to stir them to disorder, and to hound on the dangerous classes to do injury to the foreigner, what guarantee has any foreign Government for the safety of its nationals once they are beyond its own means of protection?

I must add, in conclusion, what it will give your Imperial Highness little pleasure to read, as little certainly to myself to write; but the occasion requires that I should speak out. It is very generally believed that although your Imperial Highness and the wiser of your colleagues are opposed to any policy that would involve a rupture with foreign Powers, there are other leading men in China whose dream is the expulsion of the barbarian, and who, if they were not the immediate instigators of the movement of the 21st June, have heartily approved its atrocities; have exerted themselves to prevent the punishment of the guilty parties, official and non-official; and are even now urging on the Central Government the expediency of directing a like murderous enterprise against all foreigners that may be found on Chinese ground.

Nothing, it is true, could be simpler than their annihilation. Foreign residents in China, all told, can hardly be counted by thousands, and when they are away from the protection of men-of-war, could be as easily overwhelmed as the unfortunate French were at Tien-tsin. But the barbarian would not for all that be expelled. Six months, or at the most twelve, would see the coasts of China beset by foreign navies combined, and her provinces invaded by troops differing widely in discipline and fitness for war from the levies which have achieved a certain success against the Taepings or the Nien-fei. Your Imperial Highness well knows that I speak no more than the truth.

If, then, there be indeed persons holding opinions so fatal to the best interests of China, your Imperial Highness is all-powerful to deal with them, and it needs but a display of the energy and patriotic spirit which at the commencement of the present reign averted the civil war in which the designs of traitors would have involved the Empire, to prevent a quarrel with the powerful nations that would prove even more disastrous.

I may be told that there may be no such persons; but I must not the less appeal to your Imperial Highness for such a display of vigour as may restore to foreign Governments their confidence, not only in the friendly dispositions but the power of the Chinese Government. The confidence of foreign Governments, as I have already told your Imperial Highness, will have been utterly shaken by the terrible event of the 21st of June. The unsympathetic tone of the Imperial Decrees referring to it, communicated to the foreign Legations, and the slowness with which the proceedings, entrusted first to the Governor-General and subsequently to an Imperial Commissioner, will have added to their mistrust. Which is the better course? To remove this mistrust by measures of such completeness as will satisfy those Governments whose suspicions have been awakened? or by a half-hearted action to commit them to a course at utter variance with the relations of peace which it is their sincere desire to maintain?

Your Imperial Highness well knows in what spirit I put this question, and that the frequent repetition of what I so earnestly insist upon is not suggested by the mere desire of engaging your Imperial Highness in correspondence.

I renew, &c.

(Signed) THOMAS FRANCIS WADE.

No. 96.

Mr. Wade to Earl Granville.— (*Received November* 20.)

(Extract.) *Peking, September* 10, 1870.

THE Tien-tsin massacre still continues, at Peking, but another term for the whole China question; and I regret that I can make no very favourable report of the proceedings of the Chinese Government with reference to it.

In a telegraphic message dated the 16th of August I stated that the situation was improving. As I mentioned in my despatch of the 12th of August, I had been satisfied with a conversation I had had with the Minister Pao-yun, and M. de Rochechouart had drawn equally good omens from an interview with the Prince of Kung. Immediately upon this followed the arrival of the Minister Ch'ung Hou from Tientsin, and, upon the 14th of August, an audience, at which he and the Prince of Kung with all the Ministers of the Yamên were received, specially to expose the state of things at Tien-tsin.

On the afternoon of the day on which my telegram was sent, the Minister Ch'ung Hou called upon me. On coming to business, he told me that the Prefect and Magistrate whom a Decree had directed the Provincial Judge to take back to Tien-tsin, before their final committal to the Board of Punishments, had fled, one to a district city north, the other to a prefectoral capital west, of Peking. On the whole, I was extremely dissatisfied. My French colleague, I found, had been no better pleased with him.

It happened that on the same day, about noon, a villager had presented himself at the back door of the Legation with a story that a young relative of his had been kidnapped in his native place, above 100 miles to the east of Peking. He had been told that foreigners kidnapped children, and so had come here to look for the missing lad. He was armed with a rude blunt spear. I sent him to the Yamên, whence he was forwarded to the gendarmerie, and has been, according to the Yamên, severely punished. I inclose my correspondence with the Yamên on the subject.

The following day, 17th of August, I saw the Prince of Kung at the yamên, and His Highness made many apologies for this occurrence.

The Prince, when we came to the Tien-tsin affair, said that I knew their difficulties, and must play the part of a friendly mediator.

I could only reply that all mediation must be useless until we could see something like a commencement of the end. Two Chinese moons had passed without the condemnation of a single criminal, and the magistrates committed to the Board of Punishments, and subsequently remanded to Tien-tsin, were playing hide-and-seek with Justice. As for the departure of the Minister Ch'ung Hou for Paris (the Prince had asked me when I thought he should start), I confessed that, until not only a beginning had been made, but the case was closed, I could not understand the object of his mission. Lastly, that, anxiously as I had exerted myself to avert a rupture between France and China, if M. de Rochechouart were now to ask my opinion as to the course it behoved him to take, I should be obliged to say that I conceived he was justified in withdrawing his Legation.

Inclosure 1 in No. 96.

Mr. Wade to the Ministers of the Tsung-li Yamên.

August 16, 1870.

MR. WADE presents his compliments to the Ministers of the Tsung-li Yamên.

A man named Chang-chih-hsi, a native of Luan-chow, came about noon this day to the Legation in quest, as he affirmed, of a young brother of his, aged 10 years, who had disappeared from his home on the 8th instant. He was armed with a spear. He states that, in his neighbourhood, it is currently reported that foreigners in Peking are purchasing children, and that, on arrival in Peking, he was directed to the foreign Legations.

Mr. Wade will be obliged to the Ministers to give orders for the examination of this man, who will be detained in the Legation until a guard is sent for him.

Mr. Wade doubts not that the officers in charge of the Chi-hua gate will be directed to explain how it was that an armed man without baggage of any kind was allowed to enter the capital unquestioned.

(Compliments.)

Card of T. F. Wade.

Inclosure 2 in No. 96.

The Ministers of the Tsung-li Yamén to Mr. Wade.

(Translation.)

THE Ministers have just received Mr. Wade's note, stating that at noon to-day a man named Chang-chi-hsi, a native of Luan-chow, came to the Legation armed with a spear, in quest of a younger brother of his called Wuêrh, who had disappeared from his home; that he is at present detained in the Legation, and begging that a guard be at once sent to take him off.

The Ministers, on perusal of this note, were filled with astonishment. Orders were at once given for a guard to be sent to the Legation to take the man Chang-chih-hsi into custody, while at the same time a written request was sent to the office of gendarmerie that the man be taken there and dealt with as, after examination, might seem necessary. That office will also be requested to inquire into the conduct of the officers of the city gate by which Chang-chih-hsi entered, and deal with them as they deserve.

The Ministers write this, &c.

7th moon, 20th day (August 16, 1870).

Inclosure 3 in No. 96.

The Ministers of the Tsung-li Yamén to Mr. Wade.

(Translation.)

ON the 20th of the present moon [16th August] the Ministers received Mr. Wade's note, stating that a man named Chang-chih-hsi, a native of Luan-chow, had come to the Legation armed with a spear, in quest of a younger brother of his called Wuêrh, and expressing a wish that the man might be taken off [to the office of gendarmerie].

Orders were at once given for a guard to go and take the man into custody, and a written request was sent to the office of gendarmerie that he might be taken there and dealt with as might seem necessary after examination.

That office has now written a note to the effect that "Chang-chih-hsi, who has been examined, made the following statement:—

"'I am a native of Luan-chow, in Yung P'ing-fu. On the 12th of the 7th moon my younger brother Wuêrh disappeared from his home, and some people stating that they had seen him entering Peking, I came on here to look for him, arriving about noon on the 20th. I entered the Ch'ao Yang gate, and found my way to the gate of one of the foreign Legations. I was then seized by the Legation servants and handed over to the local police, who brought me before the Court. I took the spear with me as a weapon of defence. I have not fought or assaulted any one with it.'

"From the evidence of this man it would appear that his object in coming was to look for his younger brother, and that he had no other intention. The conduct of Chang-chih-hsi was for all this highly improper, and he will suffer the severe punishment for misdemeanour, viz., eighty blows, and then be sent back to his native place, and strictly kept in order.

"The officers of the Ch'ao Yang gate, by which the man entered the city, were guilty of gross carelessness in not keeping a better look-out, and they, too, will be punished."

The above is the Report the Ministers have received from the office of gendarmerie of the inquiry into the settlement of the case.

They write to inform Mr. Wade, &c.

7th moon, 27th day (August 23, 1870).

Inclosure 4 in No. 96.

Mr. Wade to the Ministers of the Tsung-li Yamén.

British Legation, August 23 . 870.

MR. WADE has the honour to acknowledge their Excellencies' note of this evening, informing him that Chang-chih-hsi, having been examined, declares that his object in coming to the British Legation was to look for his young cousin Wuêrh, and that he is to receive eighty blows of the heavier bamboo.

When seized in the Legation he affirmed that he had been told when his cousin disappeared that foreigners were in the habit of getting hold of young persons; he came on, consequently, to Peking, because there are foreigners residing there, and was directed

to the Legations as the buildings in which foreigners were to be found. He offered, if his cousin were given up, to get some other boy in his stead.

The man was, to look at, a common labourer, and from his manner of speech a simpleton, of whom designing persons have probably been making a tool. It is a matter of indifference to Mr. Wade whether he be punished or not, but it seriously interests the Chinese Government to see that reports about foreigners, such as Chang-chih-hsi says are in circulation in his native district of Luan-chow, be put a stop to. There is certainly no more foundation for them there than there was in the month of June at Tien-tsin, when Governor-General Tsêng says there was no foundation at all; but we have seen at Tien-tsin that, though groundless, the people believed in them, and the consequence was a tragedy, of which it will be long before China hears the last.

(Compliments, &c.)

Card of Thomas F. Wade.

Inclosure 5 in No. 96.

The Ministers of the Tsung-li Yamên to Mr. Wade.

(Translation.)

THE Ministers have just received Mr. Wade's note stating that Chang-chih-hsi had been induced to go to the Legation the other day in quest of his younger brother in consequence of having heard that foreigners were in the habit of getting hold of young persons, and that it behoves [the Chinese Government] to take measures for allaying popular suspicion if they would avert a great outbreak.

When Mr. Adkins came to the Yamên the other day to discuss this question, he was told that the Intendant of T'ung and Yung would be at once directed to order the Prefect of Luan-chow, in accordance with His Imperial Majesty's Edicts, to issue a Proclamation stating that foreigners are not given to the kidnapping of children, and giving the people definitely to understand that they are not to give ear to idle rumours, as such are likely to create disturbance. On the same day, after Mr. Adkins' departure, these instructions were sent, as the records will show.

Having received the letter under acknowledgment, the Ministers beg to repeat this for Mr. Wade's information.

7th moon, 28th day (August 24).

No. 97.

Mr. Wade to Earl Granville.—(*Received November* 20.)

(Extract.) *Peking, September* 10, 1870.

MR. MEDHURST informs me that he has forwarded his Report of the assassination at Nanking of Ma Sin-i, Governor-General of the Two Kiang, to the Foreign Office, with his speculations as to the cause and the consequences. These were certainly justified by the Governor-General's prompt action against the literati who demolished various Romish and Protestant chapels last winter at Nganking, and by his intervention, more recently, in behalf of the Romish establishments at Nanking, which, as I have earlier shown, were saved from destruction by his timely care. His death might, therefore, have been reasonably attributed to the malice of the anti-foreign party; and it is some relief to find an opinion generally prevailing that the assassination is to be otherwise explained.

I inclose a translation of the Decree of the 28th of August, in which the report of this deed was acknowledged. In warmth of language it contrasts with the mild condemnation of the Tien-tsin massacre in the various Decrees relating to that atrocity.

In the same Gazette appeared a second Decree replacing the murdered man in his Governor-Generalship by Tsêng Kwo-fan, who, in his turn, was to be replaced by Li Hung-ch'ang, already on his way from the war in the west to this province. The following day the Commissioners of Finance and Justice were also changed.

Inclosure in No. 97.

Decree published in the Peking "Gazette" of August 29, 1870.

(Translation.)

KUEIYU (General Commanding the Tartar garrison at Nanking) reports to Us the death vacancy caused by the assassination of a Governor-General.

It would seem that on the 24th of August, Ma Hsini, the Governor-General of the Two Kiang, was stabbed under the ribs by an assassin, while returning from a parade, on one of the archery grounds of his yamên. The assassin was seized then and there by the Governor-General's escort. The only admission made by him under a rigorous examination was, that he was a native of Honan, by name Chang Wên-hsiang. His statement with regard to his motives for the act was ambiguous. The Governor-General's wound was so severe, that after lingering until the next day he died. Such is the report.

Extreme was Our surprise on perusing this memorial.

The offence of a villain who has the audacity to use his poinard on ground so sacred as the yamên of a Governor-General is nothing short of treason; and no effort must be spared to get to the bottom of the matter. We accordingly direct Kueiyu, with the Criminal Judge, the Commissioner of Finance, and the Intendant of Circuit, as Assessors, to proceed at once to the trial, without sparing the prisoner. They must ascertain the precise facts of the case, and punish with the utmost rigour of the law.

The late Governor-General was pure and discreet in his conduct, and was wont to discharge his official duties with integrity and zeal. Being appointed to a magistracy at once on obtaining his Doctor's degree, he filled a succession of difficult posts. In the reign of [His late Majesty] Hsien Fêng, he took the field against the rebels, and recovered many important places. During his tenure of office, the Administration of the Governor-Generalship of the Two Kiang was entirely satisfactory. Now, just as We were hoping that he would long enjoy Our favour and confidence, he is stabbed to death. Our grief and compassion on reading his testamentary memorial were profound indeed.

We now confer upon him the [posthumous] brevet of Senior Guardian of the Heir Apparents. He is to receive the bounties proper for a Governor-General. Rites will be performed before a tablet, to be erected to him in the Chien-liang-Sze [Walhalla]; and We remit all penalties incurred by him during his tenure of office. On his son Ma Zü-chên, as a special favour, We confer a nomination as Chushih* to one of the Boards.

We direct the local authorities along the route by which the coffin of the Governor-General will be conveyed homeward to make proper arrangements for its reception.

The proper office will inform Us as to what favours (*lit.*, consolations) the Governor-General is by law entitled to.

Respect this.

No. 98.

Mr. Wade to Earl Granville.—(*Received November* 20.)

(Extract.) *Peking, September* 11, 1870.

THE despatch of which a translation is inclosed came in from the Prince of Kung late this evening.

Inclosure in No. 98.

The Prince of Kung to Mr. Wade.

(Translation.) *September* 11, 1870.

THE Prince of Kung makes a communication to Mr. Wade, &c.

On the 15th of the present moon (10th September), the following Imperial Decree was received:—

"We command Li Hung-ch'ang, who has been translated to the Government-General of Chih-li, to proceed post to Tien-tsin, there in concert with Tsêng Kwo-fan, Ting Jih-ch'ang, and Chêng Lin, to conduct the inquiry [still open] and take the necessary action.

"Mao Chang-hsi will return to his duties in the capital.

"Respect this."

* An office of the 4th grade.

With reference to the Tien-tsin case, which occurred now near three months ago, there have been arrested, under the direction of the Grand Secretary Tsêng and his colleagues, some eighty odd persons as guilty of a share in the disturbance. The depositions of these persons will be in the course of a few days taken under a rigorous investigation, and they will, of course, be sentenced according to the finding against them.

Li Hung-ch'ang having been now directed by Imperial Decree to proceed post to Tien-tsin, and in concert [with the rest] to hurry forward the proceedings, the conclusion of the case will be so much the earlier secured.

The Prince accordingly makes this communication, &c.

No. 99.

Mr. Wade to Earl Granville.—(*Received November* 23.)

(Extract.) *Peking, September* 11, 1870.

THE question has come upon us: ought the foreign Legations to be withdrawn, or not, before the winter? And it may save your Lordship an examination of the arguments for and against withdrawal if I state at once that I am entirely opposed to it: firstly, because I do not believe the Legations are in real danger; secondly, because, admitting that there may have been more or less that is threatening in appearance, the damage to foreign interests, were all to withdraw, would be incalculable; thirdly, because I am persuaded that although all beside were to withdraw, some would remain; and, in this case, the loss of British prestige would be such as in years we should not retrieve.

Your Lordship may wonder at my raising such an issue, and I am happy to say that, so far, none of my colleagues appear to contemplate the move as probable, unless it be M. de Rochechouart, whom, it is true, an unsatisfactory line of conduct pursued by the Chinese might drive to a rupture of diplomatic relations. But the foreign community in China profess, and the press loudly preaches, an opposite opinion.

I will mention but one incident as a ground of confidence. A few days since the Senior Romish Missionary moved M. de Rochechouart to allow the Sisters of Charity here resident to leave Peking. M. de Rochechouart forwarded a translation of his application to the Yamên, and the Ministers replied protesting against the suggestion. The Government, they said, would be without an answer to France if any harm befell the Sisters.

So, in the last week, when the American missionaries fled from Têng-chow, the Taoutae at Che-foo, begged them at once to return to Têng-chow.

I will not say that our whole danger is imaginary; but I am convinced that we are threatened with none that we shall not most surely avert by bearing ourselves as if none were to be apprehended. If, as it is asserted, a general movement is being organised against us, we have no evidence of it. Except in this province, the Romish "Chrétientés" have been undisturbed: and at none of the open ports, save at those where the foreign community has excited itself, has there been as yet any excitement.

I might add that some Protestant Chinese in a district about fifty miles from this were alarmed about the end of July, and that at the instance of the missionary to whom they complained I spoke to the Yamên. The Yamên had instructions sent twice to the district, and I learn that the result has been satisfactory.

In the capital we have to ask ourselves but one question: Is the Government able and willing to protect us? All sinister rumours notwithstanding, I sincerely believe that it is.

No. 100.

Earl Granville to Mr. Wade.

Sir, *Foreign Office, November* 23, 1870.

I HAVE received and laid before the Queen your despatches from the 9th of September to the 11th of that month; and I have to acquaint you that Her Majesty's Government approve your proceedings as reported in those despatches.

I am, &c.

(Signed) GRANVILLE.

No. 101.

Consul Adkins to Mr. Hammond.—(Received November 27.)

Sir, *Tientsin, October 3, 1870.*

I HAVE the honour to forward a copy of a Memorandum of an interview with Li Hung-chang, Governor-General of this Province.

I called on the Governor-General by Mr. Wade's desire, and he also directed me to forward a copy of my Report direct to the Foreign Office.

I have, &c.
(Signed) THOS. ADKINS.

Inclosure in No. 101.

Memorandum of Interview between Consul Adkins and Li Hung-chang, Governor-General of Chih-Li on the 2nd of October, 1870.

THE Governor-General is residing in the house which, during the occupation of Tien-tsin by the Allies, was fitted up as a theatre, and in which the Garrison theatricals were held. To a man fond of state, as Li is said to be, the discomfort of his present dwelling must be very trying. He has apparently but few attendants and only a small escort of "braves," who, to judge from the badges on their uniforms, belonged to his force while Governor-General of Hu Kuang and have followed him from Hankow.

I had no reason to complain of my reception by the Governor-General. I was not kept waiting, and he received me in the open court in front of his reception-room.

I gave him to understand that I had come merely to pay my respects and have a friendly chat. For some time we remained on this footing, and talked on a variety of indifferent topics. The Governor-General began politics by asking me whether when I left Peking, any progress had been made towards a settlement of the Tien-tsin affair by the Foreign Ministers and Yamên. I replied that I had been given to understand that the Foreign Ministers were much dissatisfied with the treatment of the case by the Central Government; that they held that, at present, the Central Government and the high provincial officials immediately responsible had shown so little vigor in the matter, that it seemed likely that redress for the past and a guarantee for the future would alike be wanting. The Governor-General repudiated this somewhat warmly. The Prefect and Magistrate had been dismissed; eighty people had been arrested, of whom from twenty-five to thirty would suffer the extreme penalty of the law—others had escaped for the time, but would eventually be brought to justice; the damage done to Missionary establishments would be made good, and a special Commissioner was about to leave for France to express in the name of the Emperor of China the most sincere regret at the unfortunate occurrences of the 21st of June.

With regard to the Prefect and Magistrate, I asked to be informed, whether, in view of the fact that they were before Heaven responsible for the lives of some twenty French subjects, dismissal from office was all the Chinese Government contemplated? The Governor-General said: No, they will be punished as well; but only because a Consul was killed by the people of their district. Had the victims of the 21st June been simply missionaries or traders dismissal from office would have been the utmost limit of punishment for the local officials. Riots and popular disturbances, in which lives are lost, take place in all countries, said the Governor-General, and when the law has been vindicated on those who have been actively concerned in outrages, the short-comings of officials before and after are not very closely scrutinized.

The Governor-General then asked me, what I should consider a fair and satisfactory settlement of the case. I replied that I was quite unable to give him an opinion. I could only tell him, that no arrangement could be satisfactory which did not carry with it a guarantee against such occurrences for the future. The execution of the actual murderers was expected as a matter of course, but the leaders must be struck down too. I could not specify individuals, but had no doubt that the authorities, if they chose, could find many amongst the different fire companies in the city. This the Governor-General declared was impracticable. As the forty-eight fire guilds constituted in fact the whole population of Tien-tsin, the authorities could not, by coercing the general body, obtain evidence against individual members of the companies.

Referring to the ex-rebel Chen Kwo-jui, the Governor-General declared that his evidence, as taken at Tien-tsin, completely absolved him from all participation in the

massacre. His statement, which was as yet uncontradicted, was, that he went out on horseback on hearing the tumult and the beating of gongs. Being informed that M. Fontanier had killed Ch'ung Hou, he was proceeding to the latter's yamên when he met him in the street. They entered the yamên together, and when Chen Kwo-jui left it the mob had already dispersed. If, said the Governor-General, Chen Kwo-jui were really guilty, the Chinese Government is quite able to punish him; but he is a man of great influence and has a large following who would resent any attempt by foreigners to have him wrongfully punished.

The war in Europe was alluded to more than once, and the probability that the good offices of England would be sought for the restoration of peace. The Governor-General saw a parallel in the present state of affairs in China—could not England step forward and show France what was right for her to do? I could only say in reply, that, in my opinion, if China did justice France would require no such teaching; while, if justice were withheld, England would have her own interests to protect. I begged the Governor-General not to allow the chances of the war in Europe to enter into his calculations. He declared that, war or no war, his programme would be carried out; the Prefect and Magistrate would be punished, some criminals would be executed, and compensation would be paid for property destroyed.

I made no inquiry with regard to the military force of the Governor-General. He declared that he was both able and willing to insure the safety of all foreigners at Tien-tsin.

Just as I was leaving, the Governor-General said to me, "Do you think France will make war next year?" I said that I thought war was not possible, China having declared her intention of doing substantial justice for the past and of taking steps which will insure the safety of foreigners for the future.

On the whole I was reassured by the Governor-General's tone and manner. I take it for granted that he will not tolerate any outrage on foreigners within his jurisdiction. He is, I think fairly impressed with the idea that further troubles with foreigners must be avoided.

His notions with regard to the Romanist missions are those of the Chinese official body generally. He complains that their converts are mostly only Christians in name and for the sake of the protection they get from the priests. He professes to think that the French Government will, after the occurrences at Tien-tsin, be willing to join the Chinese Government in putting an end to such a state of things.

(Signed) THOS. ADKINS.

October 3, 1870.

No. 102.

Consul Hughes to Mr. Hammond.—(*Received November* 28.)

Sir, *Kiu-kiang, October* 7, 1870.

I HAVE the honour to forward, for the information of his Lordship the Secretary of State for Foreign Affairs, copy of a despatch to Mr. Wade, covering correspondence with the Chinese authorities relative to the imprisonment of native Christians after the destruction of the missionary chapel at Wooching, the impunity accorded to the rioters, the evil consequences likely to result from such unjust proceedings, and the necessity of preventing the spread of lawless violence in this province.

I have, &c.

(Signed) P. J. HUGHES.

Inclosure 1 in No. 102.

Consul Hughes to Mr. Wade.

Sir, *Kiu-kiang, September* 29, 1870.

REFERRING to my despatch of September 14,* reporting the destruction of the missionary chapel at Wooching, I have now the honour to forward copies of a correspondence which has taken place on the subject between the Taoutae and myself.

The circumstances which led to this correspondence were the following:—On the

* Inclosure in No. 90.

occasion of a call which the Taoutae made at the Consulate on the 20th instant, he drew such a distinction, in the course of conversation, between missionary and mercantile establishments, as led me to apprehend that he was not sufficiently alive to the importance of his Treaty obligation to protect all classes of foreigners. He indeed assured me that here there was no cause to fear any disturbance. I endeavoured to point out that popular excitement, if encouraged or permitted elsewhere, might spread, and that the people should be made to understand that acts of violence like that which had taken place at Woochiug could not be committed with impunity. But, though he agreed with me in the advisability of taking preventive measures, he gave only a feeble assent to my suggestion that the rioters should be punished,—merely saying that Wooching was not exactly within his jurisdiction, but that orders had been given to make arrests [najên].

He affected to know nothing about the attack on the missionary chapel at Foo-chow, to which he refers towards the conclusion of his despatch—though the circumstance was, I believe, known to him at the time, as it had been spoken about here some days previously.

After the Taoutae left, I received information that arrests had, in fact, been made at Wooching, but that instead of the guilty parties being seized, several Christians had been imprisoned.

In this place, disquieting rumours were in circulation among natives and foreigners. Under these circumstances, and in order to prevent, if possible, further attacks on missionary establishments, which, though not directed specially against British subjects, might end by creating such a state of excitement here as would injure our trade, if not endanger our lives, it seemed advisable, apart from motives of humanity, to impress on the authorities by a formal official communication the necessity of preventing the recurrence elsewhere of outrages such as had taken place at Wooching. I, therefore, addressed a letter to the Taoutae reminding him of the causes which led to the disturbance and of the warnings that had been given, and expressing the regret which all friends of China would feel, at lawless violence being permitted to go unpunished, and the hope that he would be able to assure me, for your information, that means had been taken to arrest the guilty and to prevent others from following their example elsewhere; and that he would contradict the report that unoffending Christians had been imprisoned after their chapel had been destroyed.

In his reply, the Taoutae blames the Sub-Prefect at Wooching, for his remissness in not taking proper precautions to keep the peace, and incidentally mentions that no guilty person had been arrested after the riot. He enters into general reflections on the conduct of the missionaries, which, however, as I tell him in my reply, are inapplicable in the particular case of Wooching.

The people there were first excited by false reports of the occurrence at Tien-tsin. Afterwards the book to which the Taoutae refers, was put in circulation. It is a farrago of obscene calumnies against Christians of all denominations—with some abuse specially directed against England and France—the writer's indignation against these countries having been roused by the advance of the allied forces on Peking in 1860. The book, in fact, is similar to one published in 1861 or 1862, copies of which were sent to the various district magistrates in Hoopeh for gratuitous circulation; and which was understood to have been written [as I learn on good anti-Christian authority] by Tang-chi-shêng, then Commissioner of Finance of that province.

The Taoutae does not contradict the statement that, after the destruction of the chapel, several Christians were arrested. Ample time for inquiry has elapsed and, I think, there is little room for doubt that the authorities have perpetrated this unjust act.

After the receipt of my first letter, additional precautions were taken by the authorities to preserve the peace at this port, and I trust my interference may have some influence elsewhere.

The troops which have been lately encamped in the city are to remain here during the winter. They are assembled, not merely as the Mandarins stated for purposes of drill, but probably also for such active, offensive, or defensive measures as may be required of them by the Government. They are under the command of the Brigadier Hu-ang, who adopted Chen Kwo-jui as his son, after the latter had come over from the rebels; and have hitherto given us no annoyance whatever.

Your, &c.
(Signed) P. J. HUGHES.

Inclosure 2 in No. 102.

Consul Hughes to King, Taoutae.

Sir, *Kiu-kiang, September* 21, 1870.

IN the beginning of last month, I directed your attention to the publication of placards, at Wooching, of a nature calculated to excite the people against foreigners. You replied that you had given instructions to the local authorities that, if the facts were as I stated, the placards should be at once removed, and measures taken to insure the maintenance of peace between the Christians and the people. You also assured me verbally that, before the departure from this place of Huang, appointed Sub-Prefect at Wooching, you took occasion to speak to him on the subject of my note.

In apparent defiance of your instructions, placards and defamatory pamphlets were allowed to be published and circulated at Wooching daily. Finally, the people were invited by public notice to meet at one of the temples to arrange the destruction of the Christian chapel; and, on the 10th, this design was carried into effect.

The intention to destroy the chapel was well-known at Wooching for some time, and had been mentioned by me to you on the 8th instant. It must have been previously known to the local authorities, who might have prevented the disturbance if they had wished. I have had an opportunity of expressing to you personally my regret at this outrage, and I have stated that, if measures were not taken to punish the perpetrators, similar crimes may be committed in other parts of this province. So far, however, from the guilty being punished, I am now informed that several unoffending Christians have been seized and imprisoned.

In the VIIIth Article of the Treaty of Tien-tsin, the Chinese Government declares that "persons teaching or professing the Christian religion shall alike be entitled to the protection of the Chinese authorities; nor shall any such peaceably pursuing their calling, and not offending against the laws, be persecuted or interfered with."

Every friend of China must regret to find acts of violence and injustice perpetrated with impunity, and I trust it will be in your power to enable me to report to Her Majesty's Chargé d'Affaires that the Wooching rioters have been seized and punished; that peaceable Christians, not offending against the laws, are not persecuted or interfered with; and that precautions are taken to prevent the spread of lawless violence in this province.

Requesting the favour of an early reply, I have, &c.

(Signed) P. J. HUGHES.

Inclosure 3 in No. 102.

King, Taoutae, to Consul Hughes.

(Translation.)

KING, Intendant of Circuit and Superintendent of Customs, &c., makes a communication in reply to the Consul.

On the 21st September, the Intendant received the Consul's despatch to the following effect:—[The despatch is here quoted in full.]

In reference to this case, the Intendant has to state that, on the 8th September, he received a note from the Consul, and afterwards a letter from Consul Gueneau, with the book "Pi-hsieh-shi-lu." These documents were sent in all haste to the Sub-Prefect of Wooching, who was instructed to prohibit the circulation of the book and to destroy it. A Report was also addressed to the Governor, and a reply received from his Excellency, in which it was observed that he had acquainted himself with the contents of the Intendant's memorial, requesting that orders be given to destroy the book "Pi-hsieh-shi-lu," circulated at Wooching. His Excellency noticed that the book was composed by a Cantonese and a person belonging to Shê district. It consequently came from Canton and Ganhwuy. But since the British and French Consuls averred that it was reprinted here, the General Council of the Province and the High Provincial Officers would be requested to instruct their subordinates to take uniform measures for prohibiting its publication, and whenever they meet with books of the kind to destroy them forthwith, in order to put an end to rumours, and show the importance attached to friendly relations. The Governor also directed the Intendant to reply to this effect to the Consuls Gueneau and Hughes.

After receiving these orders from the Governor, the Intendant extremely regretted to learn, by a despatch which reached him on the 14th September, from the Sub-Prefect of Wooching, that the missionary chapel there had been pulled down, and orders were sent in all haste to the Sub-Prefect to take strict measures for seizing the principal culprits and

punishing them with the utmost rigour of the law. The Intendant also addressed the Governor, and his Excellency replied that, when the Sub-Prefect's Report of the occurrence had been received, orders were given to the Council to instruct the Magistrate of Sin Keen to proceed to Wooching and co-operate with the Sub-Prefect in holding an inquiry and making arrests. The principal rioters must be seized, strictly examined, and punished. The Council was also instructed to communicate with the Intendant.

As to the Intendant's statement that he had previously instructed the Sub-Prefect to take strict preventive measures, and that it now appeared nothing had been done to guard against the outbreak before it occurred, nor had a single arrest been made after the offence had been committed, the Governor considered that this was inconceivably remiss on the part of the Sub-Prefect Huang, who must, consequently, be held responsible for the duty of co-operating with the Magistrate Chêng in speedily investigating the case, arresting the guilty, and concluding the affair. The Governor would instruct the Council and High Provincial Officers to give strict orders to have these instructions carried out, and to inform the Sub-Prefect that, if he again gives rise to controversy (*i.e.*, with foreign officials) by his treating lightly (matters of importance), he would be certainly removed from his post and reported for degradation; no indulgence would be shown to him. Such was the reply which the Intendant had the honour to receive, from which it is evident that he and the high authorities are in the habit of dealing in a straightforward manner with questions arising from the intercourse between Chinese and foreigners. But the enmity which people entertain for the religion of the Lord of Heaven (Roman Catholicism) arises principally from the mistake that is made in making converts of bad men. The Consul having been so many years in China, must, the Intendant presumes, be well acquainted with the feelings of Chinamen. The number of Christians whom he has seen "peaceably pursuing their calling, and not offending against the laws," must have been small. They rely on the terms of the VIIIth Article of the Tien-tsin Treaty, "namely, that persons teaching Christianity, or professing it, shall alike be entitled to the protection of the Chinese authorities, nor shall any such, peaceably pursuing their calling, and not offending against the laws, be persecuted or interfered with." Individuals who are not usually peaceable subjects, and who are "persecuted" by the Mandarins for offences which they commit, are, on entering the Church, immediately beyond the pale of law. They care nothing for the Mandarins, still less do they fear their countrymen and relatives. They rely upon the missionaries, who treat them with tender regard, and, without investigating the truth or falsehood of the statements, at once exert their influence on behalf of the converts. It is unavoidable that proceedings such as these should cause the simple ignorant people to unite in hate of the missionary chapel. As the Intendant attaches the highest importance to friendship, he communicated the contents of the Consul's letter to the high authorities. He would ask the Consul whether he, on his part, would be so good as to impress on the Christians the Intendant's views. If they wish to propagate their religion they should select their subjects, and receive fewer bad characters. They would thereby diminish or remove innumerable causes of trouble. Cases of assault or disputes should, when the parties are Chinese, be dealt with altogether by Chinese officials. Bishops and missionaries should not interfere. If wrong be done, the parties can always appeal to a higher Court, when the merits of the case can be easily established. Bishops and missionaries should not take it upon themselves to decide. In this manner distinctions would be obliterated between those who are and those who are not members of the Church. The former would not venture to look on it as a talisman for their protection, and the latter as a storehouse of ill-will. And there would certainly be no more missionary chapels destroyed, or calumnies propagated against foreigners.

With regard to the Consul's inquiry, whether or not peaceable and unoffending Christians have been placed under restraint at Wooching, it will be necessary to give orders that immediate inquiry be made and action taken (as the circumstances may require).

On the subject of the missionary chapel at Foo-chow, the Intendant has now received a Report from the Prefect and Magistrate of that place, in which they say that a building within the gate of that establishment, on the eastern side, caught flames from fire dropped from a procession of the country people. The local authorities proceeded to extinguish the flames. No damage was done to the principal building—the building on the west side—or the principal entrance. The female children supported in the establishment, to the number of a hundred and some tens, had previously taken to flight, and are now being all sent back by the authorities. Several persons detected in stealing have been severely punished.

Such is the Report the Intendant has received, and, without waiting for the Consul's despatch, he has communicated it to the Governor, and requested his Excellency to issue

stringent orders for the proper management of the case. He has also requested his Excellency to issue general orders to all under his jurisdiction to take protective measures, so as to prevent the spread of bad example.

Having received the Consul's despatch, it was the Intendant's duty to prepare this reply.

A necessary communication addressed to P. J. Hughes, Esq., Her Britannic Majesty's Consul.

Dated 28th day, 8th moon, 9th year of Tung Chih.

Inclosure 4 in No. 102.

Consul Hughes to King, Taoutae.

Sir, *Kiu-kiang, September* 29, 1870.

REFERRING to that part of your despatch of the 23rd instant, in which you blame the acts of Missionaries, I beg to suggest that, whenever you have grounds of complaint, it would be well to communicate with the Consul of the nation to which the Missionary belongs,—who would no doubt deal with the question justly in accordance with the Treaty.

But your observations cannot apply to the case under discussion, namely the destruction of the Missionary Chapel at Wooching. There was no litigation there between the Christians and the other inhabitants, nor were there Missionaries to come forward and exert their influence on behalf of the converts. Had this been so, you would of course have received a report on the subject from the Sub-Prefect. But that official, as you say, did nothing to guard against the outbreak before it occurred, nor did he arrest afterwards a single guilty party.

If instead of the rioters being arrested, the Christians are imprisoned, it is to be feared that such a line of action will lead to a repetition elsewhere of the disturbance which took place at Wooching.

I hope you will soon be good enough to inform me what action has been taken by the Sub-Prefect in conformity with the orders which have been communicated to him.

Meanwhile I am glad to observe that you had requested the Governor to issue general orders to all his subordinates to take measures to protect the Christians, and I beg you will further request his Excellency to publish a Proclamation to the same effect throughout the province.

I have, &c.
(Signed) P. J. HUGHES.

No. 103.

Earl Granville to Mr. Wade.

Sir, *Foreign Office, December* 1, 1870.

I TRANSMIT to you, herewith, for your information, extract from a despatch from Sir A. Buchanan respecting the Tien-tsin massacre.*

I am, &c.
(Signed) GRANVILLE.

No. 104.

Mr. Wade to Earl Granville.—(Received December 2.)

My Lord, *Peking, September* 17, 1870.

IN my despatch of the 9th instant, I reported the removal of a number of American Missionaries from Têng-chow to Che-foo on board Her Majesty's ships "Barrosa" and "Grasshopper."

I have received the inclosed letter from Mr. Low, the Minister of the United States, in which he requests that the service rendered his countrymen by Vice-Admiral Sir Henry Kellett may be brought to the notice of Her Majesty's Government. I beg to inclose also a copy of my reply.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

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* No. 92.

Inclosure 1 in No. 104.

Mr. Low to Mr. Wade.

Legation of the United States, Peking,

Sir, *September* 17, 1870.

I AM in receipt of information to the effect that, in consequence of reports of an intended attack by the Chinese upon the American Protestant Missionaries residing at Têng-chow in the province of Shantung, and the usual land communication being considered unsafe, application was made to the United States' Vice-Consul at Che-foo for relief to enable them to reach a place of safety.

In the absence of a United States' vessel-of-war at Che-foo, the Vice-Consul made application to Sir Henry Kellett, K.C.B., Commanding Her Majesty's Naval Forces in these waters, to afford the necessary succour.

With a generosity and promptitude characteristic of Her Majesty's Naval Officers, Admiral Kellett dispatched two vessels—the "Barrosa" and "Grasshopper"—on the 1st instant to Tung-chow, and took away the Missionaries and their families, and safely landed them at Che-foo.

In the name of the Government of the United States, and on behalf of the people who were relieved, I beg most respectfully to tender to you, and through you to Admiral Kellett, my grateful acknowledgment of this humane and generous action.

I shall improve an early opportunity to lay the facts before my Government, and I would feel obliged if you would make it known to Her Majesty's Government also.

I have, &c.

(Signed) FREDERICK F. LOW.

Inclosure 2 in No. 104.

Mr. Wade to Mr. Low.

Sir, *Peking, September* 17, 1870.

I HAVE the honour to acknowledge receipt of your letter of the 17th instant.

The incident to which it refers I had already reported to Earl Granville, and I am sure that his Lordship, to whom it will be my duty to forward copy of your letter, will be gratified to learn that the service Sir H. Kellett was enabled to render your countrymen residing at Têng-chow, has been so cordially appreciated.

In accordance with your request, I shall at the same time do myself the pleasure of communicating your acknowledgments to Sir H. Kellett.

I have, &c.

(Signed) THOMAS FRANCIS WADE.

No. 105.

Mr. Wade to Earl Granville.—(*Received December* 3.)

My Lord, *Peking, September* 17, 1870.

IN continuation of my previous despatch of this date, I beg to inclose copy of a despatch from Mr. Mayers, reporting that two of the American Missionaries who remained behind at Têng-chow find things improving. He forwards also translations of two Proclamations, issued, one by the chief civilian, the Prefect, and the other by the military authority. The latter is the most outspoken paper on behalf of the Missionaries and their converts that I have seen in China.

I inclose a copy of my reply to Mr. Mayers. I disapprove, and so far as in me lay should oppose, the establishment of Protestant missions at a distance from the Treaty ports. But, where a foreign community has formed itself, its hasty withdrawal is greatly to be deplored. Nothing, of course, can give greater encouragement to those who desire to see the points of contact with us restricted in number; and when they succeed, as in this instance, in tearing the foreigner away from a place where he has no right to reside, we must be prepared for a renewal of the attack at places in which we have a right of residence.

I trust that your Lordship will consider this view of the matter to justify the instructions I have given Mr. Mayers.

I have, &c.

(Signed) THOMAS FRANCIS WADE.

Inclosure 1 in No. 105.

Acting Consul Mayers to Mr. Wade.

Sir, *Che-foo, September 7,* 1870.

IN continuation of my despatch of the 2nd instant, I have honour to inclose herewith, for your information, the copy of a letter of thanks addressed to Vice-Admiral Sir H. Kellett by the American Missionaries, whose request for removal was carried into effect by his orders.

I learn from the Rev. Dr. Nevins that the information he has received from Têng-chow-fu is satisfactory; the demeanour of the people towards the missionary (Mr. Crawford) who has remained behind at that place having become notably altered for the better since the arrival of the two vessels of war, and the issue of proclamations immediately thereafter by the local civil and military authorities, of which I inclose translations herewith. It is somewhat remarkable, however, that only on the occurrence of so serious a step as the departure of the missionaries could the local officials bring themselves to admit the prevalence of hostile rumours, the existence of which was absolutely scouted by the district magistrate in the interview the missionaries had with him before leaving.

I have been told that the Taoutae at this place wrote some days ago to the United States' Vice-Consul, Mr. Holmes, expressing his regret at the decision arrived at by the missionaries in this matter.

On the other hand, the circumstances which gave its chief element of vitality to the rumours prevalent at Têng-chow-fu, viz., the intended reinforcement of the garrison of that place, is assuming a definite shape. I learn to-day on good authority, that a force of 1,000 men from the provincial capital is about to arrive at that city, besides another detachment of 500 men who are expected hourly at the district city of Fushan, ten miles from Che-foo.

The arrival of so considerable a force in this quiet region is eminently calculated to give rise to alarm, and I propose addressing the Taoutae on the subject as soon as I am more fully informed. Being altogether without intelligence as to the state of affairs at Tien-tsin, with the exception of the vague and untrustworthy reports derived from the commanders of the coasting steamers and the gossip contained in mercantile letters, I have no means of judging whether any hostile intent be really attributable to these movements of troops. Dr. Nevins has placed in my hands a copy of a Chinese publication of most mischievous tendencies, which the missionaries find to have been widely circulated throughout this province during the last year or two, and to the influence of which, perhaps, much of the prevailing excitement against foreigners may be attributed. The work in question is a printed pamphlet of considerable size, entitled "The Overthrow of Evil set forth in Authentic Extracts," and professes on its title page to be "published by the gentry and people," without place, date, or authorship assigned. It is a categorical denunciation of Christianity in particular and foreigners in general, consisting of a reissue of every attack that has heretofore been made upon the Roman Catholic missionaries, from the comparatively serious and dignified arguments of Yang Kwan-sien, in the 17th century, and the sacred edict of Yung Chêng, in the 18th, to the foul and obscene calumnies reported by miscellaneous writers at various periods. The whole is strung together with remarks by an anonymous writer, who, as he refers to the extinction of the Taeping and the continuance of the Nienfei rebellion, must have compiled this work within the last three or four years. Wherever the missionaries have met with traces of its circulation, they have learned that it emanated from the yamêns, and in Lai-chow-fu they ascertained that copies were sent by the local officials to the schoolmasters of the city, with directions to impress its contents upon their pupils. At other places it has been read aloud about in public day after day. Its circulation appears to have been general throughout this province, and its effects among the ignorant and credulous masses may easily be conceived. It is probable that some such agency as this, if not the same, may have contributed to the popular excitement at Tien-tsin.

I have, &c.
(Signed) W. F. MAYERS.

Inclosure 2 in No. 105.

The Revs. J. Nevins, J. Hartwell, and E. Clapp to Vice-Admiral Sir H. Kellett.

Sir, *Che-foo, China, September* 2, 1870.

ON behalf of the American residents of Tung-chow, we embrace the earliest opportunity to express to you our profound sense of your kindness in sending the "Barrosa" and the "Grasshopper" to secure our safe departure from that town.

Had our company comprised only men, we should not, under the circumstances, have asked aid, especially from the naval force of any other Government than our own. But a majority of our number consisted of women and children; warnings were frequently conveyed to us that our safety could be secured only by a speedy departure, our servants and employés were urgently entreated by their friends to escape immediately from our establishments, and reports of an intended massacre of the foreigners and all connected with them became daily more numerous and threatening, a specified time (about the tenth day of this month, September) being repeatedly named. This state of things appeared only to need the arrival of the military force expected in a few days to render personal violence momentarily imminent, not from the majority of the population, but from the mob, incited to riot by outside influences, and to render the possibility of our exit from the town a matter of extreme doubtfulness. These facts impelled us, through our Consul, to appeal, Sir, in the absence of an American naval commander to you; in doing so we relied upon the well-tried friendship subsisting between Great Britain and America, and the readiness with which your people have always succoured the distressed.

Our confidence has not been misplaced; our most sanguine hopes were more than fulfilled by your generous kindness; we beg you to accept our most sincere thanks, for it is to you and your command that, under God, we owe our present security. Be assured that the timely aid you have rendered us shall not be forgotten, we will at once inform Admiral Rogers commanding the American squadron in the East, and his Excellency, Mr. Low, American Minister at Peking, of your friendly acts, and we are sure that they will fully appreciate your kindness to American citizens.

Be pleased, Sir, to convey to the officers and men of your command our warm thanks for their readiness and courtesy in rendering us this aid.

We are, &c.

(Signed) JOHN L. NEVINS,
J. B. HARTWELL,
EDWARD P. CLAPP,
On behalf of the American residents of Tung-chow.

Inclosure 3 in No. 105.

Proclamation by the Prefect of Tĕng-chow-fu.

(Translation.)

AN earnest notification is hereby proclaimed. Whereas some time ago at Tien-tsin, through the drugging and kidnapping of infant children by wicked vagabonds, the missionary establishments were involved in accusations, and the people consequently harboured suspicions and precipitated a collision, thereby giving rise to ensuing difficulties. The country has from this cause become alive with rumours, which have been propagated on every side, and matters have even gone to the extent that reckless vagabonds have secretly fanned the flame, and even manufactured reports to the effect that there was an intention of putting foreigners to death. From hence it ensued that the foreigners took alarm and removed themselves in a body, and the converts have laboured, consequently, under wrong impressions. The designs cherished by the mischievous vagabonds who fabricate such rumours as these are not easily penetrated, and it is not right that they be indulged with a moment's leniency. In addition to commissioning officials with the duty of proceeding in various directions to take stringent measures for the apprehension of such characters, this Proclamation is accordingly issued. Wherefore it is proclaimed to all of ye military and people dwelling within the prefecture. From the issue of this Proclamation henceforward do ye all apply yourselves to your respective vocations, and refrain from idly giving currency to rumours, whereby troubles and disturbances are brought into being. If disobedience be shown, the offenders, on being apprehended, will surely find their persons and their lives in imminent jeopardy.

Let repentance not be tardy.

Inclosure 4 in No. 105.

Proclamation by Fu, Lieutenant-Colonel and Military Secretary of the Brigade of Teng-chow, Acting Commandant of the Centre Battalion, and expectant Brigadier.

(Translation.)

A STRINGENT prohibition is hereby proclaimed. Whereas, for a number of years past* British and American [missionaries] have resided at Teng-chow-fu, their whole occupation being none other than that of preaching day and night the Christian religion and inducing people to be virtuous.† It has, nevertheless, perhaps been the case of late, in consequence of the affair at Tien-tsin, that ignorant individuals among the soldiery and people have addicted themselves to gossip, and given rein to their tongues in improper talk. Persons of this sort are rightly described as the spreaders of calumnious rumours and instigators of dissension. Evil-minded and wily villains such as these are earnest in expectancy when all is at peace, and when the times are troublous are eager in the work of depredation. Lawless in every respect, they deserve the deepest abhorrence. In addition, therefore, to stringent measures adopted for searching out and apprehending such offenders, this Proclamation is accordingly issued. Wherefore it is proclaimed to all of you, both soldiery and people. From the issue of this Proclamation henceforward do ye all abide in tranquillity and pursue your avocations with cheerfulness. It is forbidden ye to chatter at your will about Chinese and foreign affairs. If ye do not obey and bow before the law, on discovery of the offending persons I will assuredly solicit my superior officer to punish the offence by martial law. Leniency shall in nowise be shown. Let none say they have not been warned in time.

Obey in trembling. A special Proclamation.

Dated September 2, 1870.

Inclosure 5 in No. 105.

Mr. Wade to Acting Consul Mayers.

Sir, *Peking, September* 17, 1870.

I AM in receipt of your despatch of the 7th instant, inclosing copies of two Proclamations issued at Teng-chow after the removal of the missionaries from that city.

I should have been glad to have received from you a copy of the publication against Christianity to which you therein refer, in order that I might have communicated it to the Prince of Kung.

Making every allowance for the influence the terrible event of the 21st of June last must naturally have had upon an isolated community, I cannot but regret that the gentlemen of the small community at Teng-chow did not remain there. If they consult you as to the expediency of returning thither, I shall be glad that you recommend them to leave their wives and children at Che-foo, but to return themselves, if they return at all, without loss of time.

I am, &c.

(Signed) THOMAS FRANCIS WADE.

No. 106.

Mr. Wade to Earl Granville.—(Received December 2.)

My Lord, *Peking, September* 22, 1870.

I HAVE the honour to inclose copy of a despatch from Mr. Medhurst embodying a report from Mr. Taylor, the head of a mission established at Yang-chow.

It will be remembered that, in 1868, this mission was violently ejected fron Yang-chow, and that a British naval force was sent thither to exact reparation. The mission returned to Yang-chow, and has extended itself in various directions unmolested. A branch of it, however, which had been stationed at Nganking, the capital of Ngan Hwui, was expelled towards the end of 1869 from that city. The mission-house was destroyed, and the wife of one of the missionaries, with her child in her arms, was robbed and

* This is erroneous. No British missionaries have ever resided at Teng-chow-fu.

† The Chinese expression used is, "ye eu shêng kiao,"—the epithet "shêng," sacred or holy, being a term not frequently seen employed by Chinese officials to qualify the Christian "kiao" or religion.

maltreated. A Romish mission at the same place having also suffered, M. de Rochechouart demanded redress, and, being supported by a gun-boat flotilla, promptly obtained it, our missionaries profiting with the rest, The same mission has established itself at Nanking, and just before the Tien-tsin massacre found it advisable to withdraw, if not its whole force, at least the females of the party. Nanking was threatened by a movement of much the same character as the Tien-tsin uprising, and, as I have reported, this was arrested only by the energy of the Governor-General, Ma Sin-i, since assassinated. The same mission is now once more disturbed by alarms, if not exposed to danger.

Its history would alone, in my judgment, suffice to show the inexpediency of encouraging British missionaries to plant themselves in places where their protection is difficult, if not impossible—in other words, elsewhere than in the neighbourhood of the ports—and I have thought it well to issue the inclosed circular to Her Majesty's Consuls, enjoining them to refrain from assisting in the acquisition of land or premises in the interior; deprecating at the same time any hasty retreat from land or premises that have been acquired. I trust that your Lordship will approve the rule I have laid down, as also the instruction I have taken the opportunity of adding as to the due limits of our intervention in the cause of Chinese Christians who may be persecuted, more especially in cases where indemnity has to be claimed.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure 1 in No. 106.

Consul Medhurst to Mr. Wade.

Sir, *Shanghae, September* 5, 1870.

THE Rev. J. Hudson Taylor called on me this morning, having just arrived from Yang-chow. He tells me that the commonly accepted report all over that part of the country in respect to the cause of the Viceroy's assassination is, that it is the result of a private feud, and that the incident has no political bearing whatsoever. Mr. Taylor reports Nanking, Yanking, Yang-chow, and Tsing-kiang-pu (on the Yellow River), four stations which have been under his more immediate notice of late, as perfectly quiet; but he states that he has observed everywhere a violent anti-French feeling which is liable to break out at any time, and in such an event he thinks it more likely that no discrimination will be made by the Chinese between French and English missionaries resident in the cities alluded to, but that all will be involved in one common trouble.

I have, &c.
(Signed) W. H. MEDHURST.

Inclosure 2 in No. 106.

Mr. Wade to Consul Medhurst.

Sir, *Peking, September* 22, 1870.

I HAVE to acknowledge the receipt of your despatch of the 5th instant. I beg to refer you to my Circular of this date. Mr. Taylor's mission must be specially warned on the subject of multiplying stations inland; also upon the inexpediency of sudden desertion of points at which stations have been established. A very slight alarm would justify removal of the women and children; but the men should, in my opinion, be very slow to quit the ground once occupied. It is impossible to assume that sudden removals, such as that of our missionaries from Nanking or of the Americans from Teng-chow-foo, will be without an evil influence upon foreign interests in general, and the mission cause in particular.

I am, &c.
(Signed) FRANCIS THOMAS WADE.

Inclosure 3 in No. 106.

Circular addressed by Mr. Wade to Her Majesty's Consuls in China.

Sir, *Peking, September* 20, 1870.

I INCLOSE, for your information and guidance, copy of a letter addressed under instructions from the Earl of Clarendon by the Right Honourable E. Hammond, Under-Secretary of State, to the Honourable A. Kinnaird, M.P.

The letter is a reply to a Memorial presented by Mr. Kinnaird on behalf of the National Bible Society of Scotland. It decides two questions of interest to the British community, but more especially to the missionary body:—

1st. That, under Treaty, the British missionary has no right of residence in China distinct from the right of any other British subject.

2nd. That the right of British subjects to residence can be exercised only at the Treaty ports, or in their immediate vicinity.

As regards the future, you will, I conceive, be in no doubt as to the course you ought to pursue should application be made to you to secure the purchase or rental of land or premises at a distance from your post. I shall not pretend to define the area beyond the limits of which no British subjects shall be free to reside in permanence; a certain discretion must be left to the Consul. His safest rule will be that, as he is responsible for the control, and more or less for the protection, of his port community, he is not at liberty to sanction permanent residence at points so distant, or so isolated, as to make it impossible to satisfy these obligations.

There does not appear to me any immediate occasion for communication on this subject with the general British public; but you will lose no time in acquainting the missionary body, as represented in your jurisdiction, with the substance of Mr. Hammond's letter. There is for the moment one objection to its publication, or to public discussion of the matter to which it relates, namely, that the newspaper notices of all such questions are, I have reason to think, translated, with more or less exactness, for different members of the Government, central and provincial. I need scarcely add that the present is not a time when the attention of the Chinese should be expressly directed to the residence of missionaries at points where their own Government is unable to sustain their right to reside, or to its declaration of such inability, and I cannot doubt that those with whom you communicate will give full weight to this consideration.

I shall authorize you to state, on the other part, that, although you are hereby distinctly instructed to refrain from assisting in the acquisition of land or premises away from your port, it is, in my opinion, extremely inexpedient that any position now occupied by a British mission inland should be, in this period of alarm, precipitately abandoned.

I take this opportunity of instructing you, in any case in which it may be alleged that Protestant Chinese are being molested on account of their Christian profession, either by their fellow-countrymen or their officials, at once to bring the complaint to the notice of the authority with whom you are in relations, and, if need be, to the notice of the chief authority of your provice. Should they have sustained loss, as well as injury, you will represent the fact, and you will appeal to the Treaty; but you must not allow the Chinese complaining to assume that you are fighting their battle with their officials, nor must you engage in a debate upon the subject of indemnity due to them. If their wrong remain unredressed, you will report it to the Legation.

I am, &c.

(Signed) FRANCIS THOMAS WADE.

Inclosure 4 in No. 106.

Mr. Hammond to the Hon. A. Kinnaird, M.P.

Sir, *Foreign Office, April* 14, 1870.

I AM directed by the Earl of Clarendon to acknowledge the receipt, on the 7th instant, of the Memorial of the National Bible Society of Scotland; and I am to state to you, in reply, that the late negotiations with China had mainly for their object, under the XXVIIth Article of the Treaty of Tien-tsin, to regulate commercial questions.

Her Majesty's Government are not prepared to insist on any such extended construction of the term "place," in the XIIth Article, as is suggested by the Memorialists. If the Article was subject to be construed in that sense, the limitation of trade to certain specified ports would have been superfluous.

Her Majesty's Government, whatever may be the claims asserted by the French Government in behalf of French missionaries, are not prepared to claim for British missionaries any other privileges than those that may be enjoyed by other British subjects.

Her Majesty's Government are glad to receive the assurance of the Memorialists, that Protestant missionaries are earnest in promoting a good understanding with the Chinese people; and they trust that the missionaries will always so conduct their proceedings as to admit of their receiving the countenance and protection of Her Majesty's Mission and Consulates in China, which, however, can only be effectually extended to them within the limits of the Treaty ports.

I am, &c.
(Signed) E. HAMMOND.

No. 107.

Mr. Wade to Earl Granville.—(Received December 2.)

(Extract.) *Peking, September 22, 1870.*

WE are at the commencement of a fresh chapter, I should be glad to feel sure it were the last, of the Tien-tsin affair.

I reported in my despatch of the 10th instant, that the Grand Secretary Tseng Kwo-fan (gazetted on the murder of Ma Sin-i, Governor-General of the Two Kiang, to the vacancy caused by his death) had been replaced in the Government-General of Chih-li by Li Hung-chiang, the ablest and, after Tseng Kwo-fan, the most distinguished official in the Empire. He was brought forward by Tseng Kwo-fan during the rebellion, and, as he is but forty-five years of age, he bids fair to eclipse his great patron. His head-quarters until this last appointment were properly at Wu-chiang, the provincial capital, opposite to which lies the mart of Hankow, and at which, as Governor-General of Hu-Peh and Hu-Nan, he would reside. But he had been detached to conduct operations against the Mahometans of the north-west, but a few months ago.

On receiving M. de Rochechouart's demand that the mandarins charged by him with complicity in the proceedings at Tien-tsin should be promptly executed, the Central Government, apparently apprehending that the French Navy would take action if his demand were refused, commenced moving troops towards the coast. It is, at least, to this cause that I take on me to assign the arrival of the force which so alarmed the American missionaries at Teng-chow foo, and the present approach of Li Hung-chiang, with some 5,000 men to Tien-tsin. Li Hung-chiang will, I believe, certainly make Tien-tsin his head-quarters until spring, and this I think will be to the advantage of order.

No. 108.

Mr. Wade to Earl Granville.—(Received December 2.)

(Extract.) *Peking, September 23, 1870.*

ON the 21st I received a note from the Prince of Kung to the effect, that on the 22nd his Highness and the Ministers Paoyün, and Tung Hsun, would call on me at 1 o'clock. It was intimated to M. de Rochechouart, at the same time, that a visit would be paid him at 2 o'clock.

At the hour appointed, the Prince and the Ministers arrived. His Highness, whose health is perfectly restored, was even more than usually courteous; full of thanks for the interest I had manifested in the Tien-tsin question, &c. However, he soon came to this: that the execution of the Prefect and Magistrate would be by law almost impossible; that they would probably be banished for life to the banks of the Amoor; that fifteen of the criminals chiefly concerned in the massacre would be decapitated, others punished by transportation in different degrees; and that a very strong Decree, in the sense I had recommended, should be issued from the Throne.

I was bound to inform his Highness that I thought it impossible that M. de Rochechouart could accept the proposed penalties as commensurate with the crime. I could not in his place, and therefore could not recommend him to accept such a solution. As to the two Mandarins, exiled to the Amoor, if enforced, would be a severe punishment; but the French would not fail to remember that when a missionary was put to death in Kwei-chou in 1862 by Tien, the Commander-in-chief, they had been induced to consent, after some

three years' delay, to the exile of this man, but that in effect he had never been exiled. The present case was far graver. Although I had never urged a demand for the lives of the Prefect and Magistrate, as directly concerned, I could not but regard them, as I had repeatedly affirmed, responsible for the blood that was shed on the 21st June. I had held this opinion before the appearance of the Governor-General Tsêng's memorial, on the general ground that they did nothing; and since that document was published, as I had informed his Highness in my despatch of the 5th instant, the certainty of their guilt had been even more plain.

On my alluding to my despatch, the prince interrupted me to say that he had appreciated my intention in writing it, but that, as I was no doubt aware, it was impossible for him to answer it.

To return to the culpability of the Mandarins, both the Prince and the Ministers tried hard to keep the case technically within the strength of the law. The accused had not been seen to inflict any wound; they were not shown to have been present at the massacre.

I did not argue this point. I have resisted from the first the allegation, based chiefly upon what certain converts have told certain missionaries, that these men were the instigators of the rising, and nothing would have made me a party to a demand for their lives without a trial.

Leaving the particular question, I insisted strongly on the dissatisfaction that other Powers would feel at a conclusion so impotent. I expressed strong doubts whether, after so long a delay, even the decree on which I had laid so much stress would now produce the effect which I had hoped from it. Was it not, I asked, in the power of the Central Government to offer something else, with apparent spontaneity that would assist in restoring confidence to the foreigner?

The Prince inquired if I could make any suggestions. As to the security of the foreigner the Government, he said, guaranteed it. At Tien-tsin itself, Li Hung-chang and his troops would pass the winter.

The whole party rose after an hour's session, the Prince more than usually abounding in civilities, and left me for the French Legation.

Their visit to M. de Rochechouart paid, he came to see me. The Prince had been equally courteous to him, but had added little to the programme communicated to me. He had asked whether, if the Emperor of the French ruled no more, the mission of Ch'ung Hou should take place or not. M. de Rochechouart explaining that a change of intention in such a matter could not but be ill received by the Government of France, His Highness intimated that, independently of the pecuniary reparation to be made at Tien-tsin, Ch'ung Hou would be authorized to pay in France the necessary indemnities to the families of those who fell in the massacre.

I told M. de Rochechouart in general terms what had passed between the Prince and myself.

No. 109.

Mr. Wade to Earl Granville.—(Received December 2.)

My Lord, *Peking, September 25, 1870.*

M. DE ROCHECHOUART having expressed a wish that his colleagues should be convened, to learn from his own lips what had been communicated to him by the Prince of Kung, M. de Rehfues, Minister of Prussia, M. de Butzow, Chargé d'Affaires of Russia, and myself, met him upon the 24th instant, at the United States Legation.

M. de Rochechouart repeated what is already before your Lordship in the foregoing despatch, adding that he had sent his Interpreter to inform the Ministers of the Yamên of his intention to appeal to his colleagues. They appeared greatly astonished, but I do not think they attempted to modify anything that had fallen from the Prince, except by offering to add some four or five to the list of fifteen criminals who, it is supposed, will be decapitated.

After some deliberation it was agreed that we should address the Prince collectively, expressing our dissatisfaction at what we had heard. I beg to inclose a copy of the note.

I have, &c.

(Signed) THOMAS FRANCIS WADE.

Inclosure in No. 109.

Callective Note addressed to the Prince of Kung by the Representatives of England, Prussia, Russia, and the United States.

Péking, ce 24 Septembre, 1870.

LES Soussignés, Représentants des Etats Unis de l'Amérique, de la Grande Bretagne, de la Prusse, et de la Russie, ont l'honneur d'informer Son Altesse Impériale le Prince de Kung que le Chargé d'Affaires de France, ainsi qu'il en avait prévenu hier les membres du Yamên, a provoqué une réunion des Soussignés pour leur faire part des résolutions du Gouvernement Chinois à l'égard des Mandarins et autres prévenus compromis dans les massacres de Tien-tsin.

Les Soussignés croient de leur devoir de faire sans retard savoir à Son Altesse Impériale que cette décision, prise après une attente de trois mois, n'est nullement satisfaisante, tant au point de vue spéeial des atrocités commises le 21 Juin qu'à celui de la sécurité générale, à laquelle tous les étrangers établis en Chine sont également intéressés.

Les Soussignés, &c. (Signé) REHFUES.
FREDERICK F. LOW.
EUG. BUTZOW.
THOMAS FRANCIS WADE.

(Translation.)

Peking, September 24, 1870.

THE Undersigned, Representatives of the United States of America, of Great Britain, of Prussia, and of Russia, have the honour to inform His Imperial Highness the Prince of Kung, that the Chargé d'Affaires of France, as he gave notice yesterday to the members of the Yamên, has brought about a meeting of the Undersigned, to inform them of the resolutions of the Chinese Government with respect to the Mandarins and other accused persons compromised in the massacres of Tien-tsin.

The Undersigned think it their duty to inform His Imperial Highness, without delay, that this decision, taken after a delay of three months, is in no way satisfactory, as much with a special view to the atrocities committed on the 21st of June as to that of the general safety, in which all the foreigners established in China are equally interested.

The Undersigned, &c. (Signed) REHFUES.
FREDERIC F. LOW.
EUG. BUTZOW.
THOMAS FRANCIS WADE.

No. 110.

Mr. Wade to Earl Granville.—(Received December 2.)

My Lord, *Peking, September* 27, 1870.

I INCLOSE copies of two despatches from Mr. Lay: the first, upon the danger to which he conceives foreigners entering Tien-tsin to be still exposed; the second, upon the probable insecurity of the British settlement during the approaching winter; also of a brief reply to the effect, that the latter question had not been lost sight of, either by myself or my colleagues; and of a longer reply, some days later, after I had the opportunity of conversing with a missionary, whose visit to Tien-tsin had been quoted by Mr. Lay as justifying the opinion he had submitted to me, but whose account of that visit to me produced on me an impression by no means identical with that which Mr. Lay had formed. Mr. Holcombe, the missionary in question, an American, has promised me a note of his visit, which I shall forward to your Lordship.

M. de Butzow tells me that some Russian merchants who have been recently passing through Peking on his way homewards, have assured him, that during the twenty days they were at Tien-tsin, they went in and out of the city, as their business required, without molestation.

I am satisfied from all I hear, that although there will be naturally a good deal of alarm at Tien-tsin for some time to come, the community residing on the ground known as the British concession, will not be in any danger. Mr. Lay expects that a large number of vagabonds said to have taken active part in the massacre, and who have since absconded, will return in the winter. He suggests that an attack may be made by these people, and that the gun-boats, frozen up, and with their guns below the level of the bank, will avail

little for the purpose of protection, especially under the instructions now in force, which carefully restrict the action of the navy on shore.

Such an attack, is of course, a possibility, and I have therefore considered it my duty to call on the senior naval officer in the North to relax or obtain relaxation of the standing orders, so far as to admit of the debarcation of guns and men within the Settlement.

I have put off any application to the Admiral on this subject as long as I safely could, but I cannot hope, after the dilatoriness and indifference of the Government, in its treatment of the Tien-tsin affair, that the resident community will be reassured, even if their risk were less, by anything short of a material guarantee of their safety. Unless reassured, I must be prepared for an exodus; and a second massacre could hardly be more fatal to our interests than a migration, were the latter, as in this case it must be, ascribed by the Chinese to our fears.

The French will most likely leave, at least, two gun-boats at Tien-tsin for the winter. The Americans, possibly, a vessel: the Russians, possibly another. But I cannot as yet answer positively for any of these arrangements.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure 1 in No. 110.

Acting Consul Lay to Mr. Wade.

Sir, *Tien-tsin, September* 9, 1870.

I HAVE the honour to report to you that the city of Tien-tsin is still disturbed. I do not think it safe for foreigners to pass and repass. Foreigners have almost entirely ceased to visit Tien-tsin and mercantile business is done through Chinese.

Although reports had been more favourable lately, and I had hoped that the excitement was dying out, yet this does not seem to be the case at all.

Last Monday, when visiting Chêng Lin, I was very much surprised to see soldiers turn out of the various guard-houses, and precede and follow my chair, both to the city and on my return, unasked for by me, I need not say.

Mr. Holcombe, an American missionary from Peking, who came here with the express intention of visiting the destroyed chapels, and estimating the cost of repairing, with a view to their reconstruction, called on me yesterday. He asked me if it were "safe" to go into the city, to which I replied that I wouldn't say his life would be endangered if he went, but that I certainly should not visit the chapels in the city as a private individual; suspicion might be raised, and insult might be offered him.

Mr. Stanley, who came to me with him, I also advised not to go, as he was well known in the city, and if found about his church's premises he might be seriously annoyed.

Mr. Stanley did not go: Mr. Holcombe did. He asked for, and was accompanied by, a guard of soldiers, given by the magistrate. I give you his statement of his treatment. He was surprised to find himself throughout attended by soldiers. The appearances around him were most unsatisfactory. The soldiers were constantly motioning to the people to be quiet and to offer no insult. Mr. Holcombe is confident that he would have been stoned but for the presence of the soldiers. He was very glad to return, and he would not think, after his experience, of again going to the city without a guard.

I mention this incident to prove my assertion that the city is not safe for foreigners at present; and I told a deputation of English missionaries who waited upon me yesterday, (evidently alarmed at the step their brethren were taking at Peking, viz., that of sending one of their number down here to see if the reports sent from this could possibly be true, and whether rebuilding might not commence at once), that I considered it extremely unadvisable, at present, that any missionary should go to view his ruined chapels,—no good could accrue; harm might,—and that a guard of soldiers to the city I would not tolerate for one instant. There was not the least chance of preaching being recommenced for some time, and therefore it would be better to wait. Meanwhile, if they wished, I would wait and see the issue of Mr. Holcombe's expedition, and then write for my Minister's instructions.

This issue of Mr. Holcombe's visit makes it unnecessary that I should do so now and my object in writing is simply to lay before you my own opinion that the city is not yet safe, and that the present is no time for reconstruction of missionary chapels.

I am, &c.
(Signed) W. H. LAY.

Inclosure 2 in No. 110.

Acting Consul Lay to Mr. Wade.

Sir, *Tien-tsin, September 9, 1870.*

THE present state of affairs here renders it necessary that I should lay before you what I anticipate may cause us much trouble, and which gives me no little anxiety. I refer to our position here during the winter.

You are aware that there is still a strong feeling against us in the city—I mean borne by the people themselves, and not confined to the rowdy class. It was stated that these troubles were caused by these rowdies, and that when they were punished all would be well. I trusted such might be the case, but it does not seem to be so. Upwards of 2,000 of these blackguards have run away from Tien-tsin; hundreds have been seized by the authorities; and yet, with the city clear of them, peace between foreigners and Chinese has not been established. Excitement still reigns, and ill-feeling still exists.

At the present time, and until the winter, it makes little difference (except perhaps to the Acting Consul, who has to encounter surly looks and laughter from the people as he pays his visits to, and under an armed escort given by, the Chinese authorities). We have vessels of war sufficient to keep off any number that might attack, so long as the vessels can move up and down the river; but in the winter, with the river frozen for eleven weeks, and the ships blocked in with ice, what can we do? The guns of the French gun-boats are already below the level of the Bund, and when most of the water leaves the river it will be difficult for the guns of our own vessels to bear on this side of the river. I hear the "Dwarf" will be ordered away soon, and we shall be left with merely the "Avon" and "Grasshopper." I know little about the French force, but I think it will be but a small one.

I have no faith in the present authorities. You are of course aware, Sir, that by the instructions of the Admiralty, naval officers are not permitted to land guns and hold a position, but are to receive on board the residents merely, and convey them to a safe place; and this leads me to my great difficulty.

Most of the merchants have been in the habit of leaving Tien-tsin for the south on the approach of winter. Those men remaining, moreover, can look after themselves; but what is to become of the women and children? There are eighteen ladies and twenty-three children at present here, none of whom can leave without costing their husbands more than they can well afford. They cannot be put on board a gun-vessel or gun-boat for a couple of months during the very cold weather. You know well that even the "Avon" would not accommodate more than two or three at the outside; and in the "Grasshopper" there is no room at all. I say nothing of conveniences which females require, which naturally are not found on board the small vessels in Her Majesty's fleet. Nothing on shore could be erected warm enough to give them shelter and keep them from the cold, and I really do not know what could be done if an attack (which would be largely participated in by the rowdies, who will return to the city as soon as the cold sets in, ready for anything in the shape of plunder) took place.

I am no coward, and will stay at my post until obliged to leave it (and if any attack should take place, I trust we shall render a true account of our assailants), but I cannot allow my wife and child to be exposed to annoyance and trouble, to say nothing of severe fright and risk; and yet, if I send her home, there will be a general stampede. Every woman will leave the place—a very good thing—but a sign of weakness which I care not should be displayed by the Chinese; and yet what can I do? This causes me anxiety, and I write confidentially to you, Sir, for your opinion.

Had I faith in these Chinese authorities, it would be different, but I have none. They constantly prevaricate and try to cheat me, and I have no faith in any support they would give me in danger. I must look after my own safety, and the safety of my family, myself.

This despatch may appear premature, but the winter is near at hand, and it behoves those in my position to see that nothing is left undone for the protection of those dependent on us.

What is required here in the winter is a land force: 300 or 400 soldiers, with a few field pieces, would be quite sufficient for our protection. They could easily find quarters in the various godowns here which are empty during the cold season, and which the merchants would be glad to let.

I have, &c.
(Signed) W. F. LAY.

Inclosure 3 in No. 110.

Mr. Wade to Acting Consul Lay.

Sir, *Peking, September* 14, 1870.

I HAVE to acknowledge the receipt of your despatches of the 9th instant. It must content you for the moment to know that the subject to which they relate has been very constantly before my mind, and is not considered with less carefulness by the Representatives of other Powers. You will hear further in due time.

I am, &c.

(Signed) THOMAS FRANCIS WADE.

Inclosure 4 in No. 110.

Mr. Wade to Acting Consul Lay.

Sir, *Peking, September* 24, 1870.

I WROTE to you upon the 14th instant acknowledging your despatches of the 9th, but replying more particularly to the latter. I have since seen Mr. Holcombe, and I must frankly state that the impression I derived from his account of his visit to the city of Tien-tsin is very different from that which his report of it, to judge from your despatch, produced upon you; and, if I am rightly informed, upon others. I have re-perused your first despatch, and I am bound to tell you that there is much in it with which I cannot agree.

I think that Mr. Holcombe did perfectly right in going to visit the ruined chapels, and I think it much to be regretted that the resident missionaries have allowed so much time to pass without showing themselves in the city. I concur with you in the opinion that the moment for renewing service is not yet arrived. Nothing should be done at present that would insure the assembling of a crowd.

As to the provision of guards by the authorities, the object may be twofold. It may be that they wish to frighten the foreigner, and to show the people that the foreigner is beholden to them for protection. This is an old Chinese conceit; but it may also be that they know the people to be excited on account of the arrests which, since the arrival of Ting Fu-tai, have been numerous, and are providing against the contingency of disorder within the city. Considering how very rare, since the date of the massacre, the visits of foreigners to the city have been, this planting of guard-stations throughout it can hardly have been intended as a measure having reference to the foreigner alone; although the military or police in these stations have orders to secure any foreigner entering the city from harm. Mr. Holcombe states that the men who accompanied him behaved with perfect civility.

I observe that you told the missionaries who consulted you that you would not tolerate a guard of soldiers for an instant. I cannot approve this language. The state of things at Tien-tsin is not satisfactory. It is possible that some time may elapse before we can say more for it. The chief cause of its being unsatisfactory is, without doubt, the manner in which the massacre has been dealt with by the Government. But, speaking for myself, if I had real need to go into the city, I should not be deterred from doing so because the Local Government provided a guard for my protection, whether I asked for it or not. More than this, without any particular need, I should, were I a British resident, make it my business to go into the city as often as I could find time to do so; because, in the first place, I conceive it desirable that our old relations with the people should be as soon as possible restored, and because, in the next place, I am persuaded that nothing can be more prejudicial to the future of our relations than an attitude which must lead them to imagine that we are afraid of them.

The new Governor-General, Li Hung-chang, if he be not there already, will shortly arrive at Tien-tsin, and his coming may present a fresh point of departure. You will, of course, call upon him, and you will endeavour to learn from him, without appearing over anxious on the subject, what arrangements he proposes making for the maintenance of order in the city and suburbs during the winter. He should not be allowed to suppose that, so far as the settlement is concerned, we conceive ourselves to require more protection than our gun-boats afford. If you are escorted, as on a late occasion, by a military guard, you can ask the object of such a precaution, and the reason of its extension to foreigners visiting the city.

In conclusion, let me add that my faith in your own courage is by no means shaken;

but I think it probable that living, as for three months you have all been living, close to the scene of so terrible a catastrophe as that of the 21st of June, and kept on the *qui vive* by an incessant circulation of such reports as I see daily published in the Shanghae papers, you are suffering from the strain of such an existence. From all that I can learn there is far more fear than danger at Tien-tsin—much at the same time, I admit, to make us uncomfortable. As in my despatch of the 9th, I have assured you the security of your community is a question never absent from my thoughts. You will in good time hear further from me upon the subject.

I am, &c.
(Signed) FRANCIS THOMAS WADE.

Inclosure 5 in No. 110.

Mr. Wade to the Senior Naval Officer at Che-foo.

Sir, *Peking, September* 25, 1870.

WHEN leaving Che-foo, Sir H. Kellett requested that in case of need I would address myself to you.

The winter is approaching, and I should be glad that the senior officer at Tien-tsin were instructed to inform Her Majesty's Acting Consul at that port that he is authorized, if need be, to land an armed force for the protection of the British Settlement, should its safety be menaced.

The danger apprehended as possible is an attack upon the Settlement by the vagabond class, who were foremost in the massacre of the 21st June. They would be most surely restrained by the certainty that if they came on they would be warmly received. Chinese authorities, if able and willing to control them, are wont to act so slowly that we must rely mainly on ourselves for defence against enemies of the kind.

I do not presume to enter detailedly into the nature of the preparation to be made in such a case, but it appears to me advisable that at least two light guns should be landed and housed in the Consular compound, of course, under a guard; that the disposable force should be from time to time paraded about the Settlement (the whole ground is a leasehold of the British Crown), and that an armed patrol should from time to time examine the approaches by night.

I accept all the responsibility belonging to the adoption of these suggestions which I shall inform the Chinese Government have been made by me for the security of the resident community.

Should it be beyond your power to make these or other arrangements, that may seem to you better suited to the emergency, I shall be obliged to you to forward this letter without delay to Sir H. Kellett.

I know not what may be the movements of the French gun-boat squadron, counting, I believe, five vessels, at Tien-tsin. The state of Europe will make it impossible for a time that the French should themselves know. If they remain they will, I am certain, be ready to co-operate with us in any defensive measures that circumstances may call for. In the meantime, it is, of course, my duty to consider the security of the British Settlement, which, although the residents upon it are not exclusively British, is, as I have said, rented to the British Crown, and under the exclusive jurisdiction of the Britsh Consul.

Yours, &c.
(Signed) THOMAS FRANCIS WADE.

No. 111.

Mr. Wade to Earl Granville.—(Received December 2.)

My Lord, *Peking, September* 27, 1870.

I INCLOSE an extract from Mr. Lay's report of the arrival of the Governor-General, Li Hung-ch'ang, at Tien-tsin.

Your Lordship will see that Mr. Lay expresses his belief that the authorities can repress local excitement when they please. I hold the same opinion, and the present attitude of the Tien-tsin authorities, so far as this is concerned, I think satisfactory.

In all that respects police or judicial proceedings *in re* the massacre, their conduct is much the reverse. The new Prefect boasts to Mr. Lay of having arrested the murderer of the French Consul; the fact being that he was taken in Peking on evidence furnished by the French Legation.

The ex-rebel, Chên Kwo-jui, who, Mr. Lay is told, arrived in the suite of the Governor-General Li, was sent from this under arrest to go through the form (it will be but a form) of inquiry at Tien-tsin.

I have more than once explained the slowness of Government which has so disgusted us, by its difficulty in facing the popular belief that the exasperation of the people manifested on the 21st of June was justifiable. The inclosed memorandum, supplied by Mr. Robertson, is evidence towards the same conclusion.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure 1 in No. 111.

Acting Consul Lay to Mr. Wade.

(Extract.) *Tien-tsin, September* 23, 1870.

I HAVE the honour to continue my Report of the events occurring here.

Li Hung-ch'ang arrived in Tien-tsin on the 18th instant, accompanied by a body-guard of one or two hundred men and numerous wei yuans. It is rumoured that he has left several thousand men in Pao Ting-fu. His arrival has been the means of stirring up a little excitement among the people, who declare, as I have learned to-day, that the notorious Chên Kwo-jui came in his train much to their delight, as my informant tells me that they express themselves willing now to resist any foreign attack.

The Prefect called on me on the 19th instant, and told me that, through his agency, the murderers of Mr. Consul Fontanier and the Abbé Chevrier had been discovered in Pao-ting-fu. He seemed delighted at his success, and referred, too, with pride to the fact that all rumours with reference to foreigners and the affair of the 21st of June had been for a long time effectually suppressed. I could not deny that I had not heard any for some time. There is no doubt but that the authorities can put a stop to local excitement when they like; and the activity which they have displayed since the massacre compares very unfavourably with their action during the excitement previous to that event. They may in the same way take such steps as will cause the rumoured arrival of Chên Kwo-jui to cease being talked about by the people.

Tsêng Kwo-fan's troops are not allowed to enter the city or its suburbs, and such of them as are found on the streets are beaten and sent away by mounted officers engaged on patrolling duty. A few soldiers used to come to Ku-chu-lin to look at the steamers, but the proclamations that were issued forbidding the visit of loungers of any kind to this Settlement, and the activity of the patrolling officers, have kept away all such lately. The troops are stationed outside the west gate, and their proximity to the western suburbs has led to the plunder of a money shop in that quarter, in the darkness of the night, a few night ago, being charged to them.

Inclosure 2 in No. 111.

Memorandum.

Canton, August 11, 1870.

IMMEDIATELY on the receipt of the news of the Tien-tsin massacre, the Viceroy Jin-lin despatched a confidential messenger, Lie by name, to proceed north and make inquiries. He arrived at Tien-tsin by foreign steamer, and returned the same way on the 9th instant. He states that Tseng Kwo-fan is appointed to arrange matters, but is utterly unable to act. The outbreak was occasioned solely by the misconduct of the French, both consular and missionary, and the natives of Tien-tsin, feeling that they have right on their side, are determined not to give up the persons who were concerned in the disturbance. Tseng Kwo-fan, anxious both for his Government and for himself, is doing his utmost to arrange matters with the French Minister and Admiral by arresting the ringleaders of the outbreak; but he cannot and will not succeed, for the gentry and populace threaten to rise *en masse* against the Government if he takes any such measures.

(Signed) E. C. BABER, *Acting Interpreter.*

No. 112.

Mr. Wade to Earl Granville.—(*Received December* 2.)

My Lord, *Peking, September* 28, 1870.

I HAVE the honour to inclose a copy of a report from Mr. King, acting as Consul a Newchwang, upon the state of things there. The points most deserving of attention are these; that the garrison and the people, though not exhibiting any hostile feeling towards foreigners, are not on good terms with one another; that the garrisons, like most Chinese military forces, is insubordinate, and that the badness of the crops has produced a good deal of distress, the natural result of which is a promise of brigandage during the winter months.

I have on these grounds applied to the Senior Naval Officer in the North of China to send, as Mr. King requests, a gun-boat to Newchwang to remain there for the winter. Her crew's operations will be limited to the defence of the Settlement, which, as at Tien-tsin, is a slip of ground rented by the Crown, and exclusively under the control of the British Consul, and with this show of precaution I have no fear that it will be attacked.

I inclose copies of my reply to Mr. King and of my letter to the Senior Naval Officer at Che-foo.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure 1 in No. 112.

Acting Consul King to Mr. Wade.

Sir, *Newchwang, August* 26, 1870.

AS the close of the open season begins to approach, it is time that I should write to you on the subject of providing for the safety of British subjects at this port during the winter. I allude to the special protection which has been rendered necessary by the massacre at Tien-tsin and the consequent state of affairs. I do not know whether I need to enlarge on the peculiarities of our position here, to show why a special protection is necessary—indeed, I presume that you will have already made provision for it of your own motion,—but I will do so, since others, to whom you may have to apply, may not be so well acquainted with this port as yourself.

I have not made actual application up to the present time for anything beyond an occasional short visit of a vessel of war, because I did not consider that anything more was absolutely required. The river was open, there were vessels with their crews in the harbour, a steamer passing to and fro, giving all of them a sense of security, greater means of resistance, and a possibility of flight in case of actual attack or danger, and the last, especially supplying us with a means of knowing what course things were taking at Tien-tsin and the West of China. We have been, therefore, able to judge from time to time whether there was any necessity for preparation, or for self-defence, and have been able to provide for a reasonable amount of security, considering the present state of foreign relations with the Chinese Government.

This state of things, however, ends with the closing of the river to shipping by the ice. The open season may generally be said to close by the middle of November; it is sometimes prolonged a few days, almost to the end of the month, but it is liable, on the other hand, to be proportionately shortened. The river opens again from the 10th to the 25th of March. During this time, communication with the other parts and Peking is seldom and by couriers only; news is always obtained by the Chinese some days before us, and the British and foreign residents are thoroughly isolated and shut in.

The number of British residents is now some forty-seven, of whom eighteen are women and children, not to mention the southern female servants attending on these latter, and several southern women with half-caste children belonging to the men. There is, therefore, I calculate, a greater number of women and children than of men. The whole community numbers about seventy, of whom nineteen are women and children. In the winter, our numbers are always diminished by about 15 to 20 per cent. of those who then go to winter in the south, and the proportion of men is incomparably greater than that of women. This winter, sense of insecurity here will make the number of those who go still greater, and the proportion of women greater also; indeed it is to be hoped that, if many men go away, not a woman or child may be left. It is manifestly impossible that a community so small originally, can, when much reduced in numbers, defend itself throughout the winter, and stand a siege without hope or possibility of succour.

While writing this despatch I have received from the British residents a letter, copy of which I inclose, praying for that which forms the subject of this despatch.

I have now but to point out the special means why extraordinary protection is necessary. Besides the interrupted and precarious peace now existing, which may at any time turn to open war; besides the possibility of treachery being entertained by the Chinese, there are other local reasons. These, indeed, are sufficient to necessitate the protection of a community so small, inherently so weak, and so dangerously placed as to be absolutely defenceless. The local reasons are several. A very bad harvest again this year following one that was not by any means sufficient last year. The effect of this has already been to cause bands of hungry people to rob and plunder those who have—not large stores of grain held back for gain, but—stores not sold, because they are not more than what is necessary for the family's consumption during winter. It is true that there are prospects of a fairish harvest in other portions of this and the adjoining provinces, but in the neighbourhood of this town, the low lands lying round Newchwang, Liaoyang and Moukden, the crops have been destroyed by floods; in some parts of the adjacent hilly country to the east-south-east drought and blight have made the millet crop almost a total failure, as I have myself seen, and the crops of smaller grain are being cut before they are ripe, to supply immediate necessities. An element of disturbance will be present, therefore, in the country during the winter, dangerous under the present circumstances.

When a Taoutae's post was created at this port, Tseun-ta, an official specially chosen for the ability and cordiality to foreigners he had shown at Kiu-kiang, was sent. These qualities, the latter especially, have distinguished him here, and the confidence that has been felt in his good-will has been a great source of easiness of mind and safety at the present time. He is, however, to be removed, and his successor—an unknown man, who has not seen foreigners before—is daily expected. Of course he may be both able and friendly, but he is unknown to us.

Another reason, and more grave when taken in connection with the change of Taoutae, is that there are 500 foreign drilled Tartar troops in this town under the orders of the Taoutae, who is invested with military authority. Against brigands I do not doubt their trustworthiness or obedience; of their competence I am well aware, having attended their review every year, but they have shown a spirit of insubordination as regards barrack control. This has shown itself more decidedly of late; and though in no way directed against foreigners, rather indeed against the native frequenters of houses of entertainment, reputable and disreputable, still it shows that the troops are only to be depended upon so far as their inclination jumps with the duty required of them. A bad understanding between the troops and people is good for us, but the spirit of insubordination more than counterbalances it for evil when it is remembered that troops and officers are drawn from the garrison of Moukden, and that the present attitude and traditional policy of all officials there are sullen resistance at all times, and openly-shown dislike of foreigners whenever an opportunity is afforded them.

Another reason is that the presence of a protecting force will prevent the danger of a collision between foreigners and natives. I am now speaking of chance and unnecessary causes of collision, not of those of imperial policy. The presence of a force will awe the ill-disposed natives of the town, and it will inspire foreigners with confidence on those occasions when rumours of bad news, real or false, which are sure not to be wanting throughout the winter, would otherwise create a panic, or at least agitation, which would bid well to produce what it feared.

As to the force requisite, I consider that it will be necessary to have a small vessel-of-war, with her guns docked, on the bank opposite the Settlement. The vessel will command the town in case of attack, while the Marines, with our assistance, will be able to repel a descent on the foreign quarter. The opposite river bank being quite bare of houses, or any single obstruction the vessel could form a refuge as a last resource, the frozen river at all times affording means of communication. The vessel should be here before the end of October, not so much to allow of time for docking her, but because the the mud freezes so hard that arriving later it will not be possible to dig the dock or make mud earth works round her.

Since commencing to write this despatch I have received your despatch of the 16th August, telling me that you had not thought necessary to request that a vessel be stationed here, and had informed the Commander-in-chief that there was small "chance" of any disturbance. I have gone into this question a little more at length on account of this expression of opinion, though I am aware it refers to the present time, and not to the winter. As regards the present time my own opinion is that the stationing of a vessel, desirable as that would be, can be dispensed with now, but that it is impossible to leave to chance the lives of the residents here during the winter, to which leaving them without

sufficient protection before the river closes would be tantamount. I have not of course taken into consideration that, if the Tien-tsin question is not definitely settled before the winter, you may order all British subjects to withdraw from this port.

I am also addressing the Commander-in-chief on this subject.

With reference to an occasional visit from a vessel, so much good is done thereby that it is very desirable that this port, where no vessel is ever stationed, should not be entirely neglected. Quite independently of the present state of affairs, I should have applied for the usual visit made here before the river closes. I was on the river bank when Mr. Inspector-General Hart came here in the Chinese gun-boat the "Fei Hoo." It was known before her anchor was down that she was Chinese, and I heard it said more than once by passers-by who stopped to look at her, "Ha! we have a gun-boat too, now." It was all the more useful that Her Majesty's ship "Grasshopper" had been here, and I hope that another visit may be soon ordered. The officials invariably express satisfaction at these visits, and admit their utility and good effect.

Your, &c.
(Signed) W. E. KING.

Inclosure 2 in No. 112.

Mr. Wade to Acting Consul King.

Sir, *Peking, September* 24, 1870.

I AM in receipt of your despatch of the 20th of August. I have written to the senior naval officer at Che-foo requesting him to send you a gun-boat and ten marines.

I authorize you to issue any arms there may be in the Consulate to any members of the community in whose discretion as to the use of them you have confidence.

I judge from the application of the residents on the subject that, though they might be with advantage formed into a corps, they will do well not to trouble themselves much about other drill than the manual exercise. I would recommend that they be made perfectly to understand their stations in the event of an alarm, and that they practise regularly at a mark. The knowledge that a number of foreigners are thus engaged will probably be as useful in securing you against mischief as the presence of a gun-boat.

I am, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure 3 in No. 112.

Mr. Wade to the Senior Naval Officer at Che-foo.

Sir, *Peking, September* 25, 1870.

IN my earlier despatch of this date I have spoken of Tien-tsin. I am more anxious about Newchwang.

Mr. King, the Acting Consul, reports that the native garrison and the population, though neither of them apparently hostile to foreigners, are on ill terms with each other, that the officers of the garrison have not their men in hand; that they are consequently not to be counted upon should there be a descent of robbers on the place; and that there is likelihood enough of such a descent, as the crops have failed, and much destitution, and as a consequence brigandage is reported in the rural districts. Added to this, late events at Tien-tsin have had a tendency more or less to unsettle the public mind.

Mr. King has himself appealed to Sir H. Kellett, and I presume will have written to his Excellency what he writes to me. In my opinion he gives sufficient reasons to justify the assistance for which he applies, should it be practicable to grant it. He would have a small vessel-of-war with her guns docked on the bank opposite the Settlement, and a body of marines stationed in the Settlement. He asks for thirty men, but, backed by a gun-boat, it seems to me that ten men would suffice. The vessel should be at Newchwang as early as possible in October, as the freezing of the mud would otherwise render it difficult to dock her. I believe that she would be useless in the ice, were it safe to leave her in it.

At both ports, Tien-tsin and Newchwang, allow me to impress upon you that, in my opinion, our greatest danger is a feeling of insecurity in the resident community such as will induce them to fly. It is no exaggeration to say, that at this moment voluntary abandonment of any place at which we are established, if it could be ascribed to our fears, would be more fatally injurious to our interests throughout China than a successful attack

on any particlar Settlement; for this would sooner or later bring upon those concerned in it severe retribution. I shall be glad to learn, therefore, that you are enabled to help me in averting the calamity of an exodus.

Your, &c.
(Signed) THOMAS FRANCIS WADE.

No. 113.

Mr. Wade to Earl Granville.—(Received December 2.)

My Lord, *Peking, September 28, 1870.*

I REGRET much to observe that reports of bad harvests, occasioned first by prolonged droughts and then by excessive rains, are coming in from all quarters.

I do not remember a greater frequency of Decrees remitting the whole or part of the Land Tax. The deficit this will cause in the Exchequer is of minor importance compared with another too certain result, viz., the distress of the people; and we must be prepared to hear this winter of no small amount of brigandage, which, in this country, and especially after twenty years of disorder, is seldom distinguishable from rebellion.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

No. 114.

Mr. Wade to Earl Granville.—(Received December 2.)

My Lord, *Peking, September 28, 1870.*

IN my despatch of the 25th instant I had the honour to forward the copy of a collective note addressed by myself and my colleagues to the Prince of Kung upon the 24th instant.

I beg to inclose a copy of his Highness' reply, received last evening. There will not be time to decide before the mail leaves to-morrow what notice it may be expedient to take of this reply.

The circumstances of the case considered, it cannot be regarded otherwise than as a very unsatisfactory document.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure in No. 114.

The Prince of Kung to the Representatives of Prussia, United States, Russia, and Great Britain.

(Translation.)

THE Prince of Kung makes a communication in reply to that of M. de Rehfues, Minister of Prussia, &c., Mr. Low, Minister of the United States, M. de Butzow, Chargé d'Affaires of Russia, and Mr. Wade, Chargé d'Affaires of Great Britain.

The Prince is in receipt of their communication of the 29th of the 8th moon (24th September), acquainting His Imperial Highness that, having been apprised by M. de Rochechouart of the course it had been decided to take with reference to the officials and others charged with being connected with the massacre of Tien-tsin, they had conferred together, and that, considering the gravity of the case, both in respect of its proper atrocity, and its relation to the question of the security of all foreigners in China, punishment so incommensurate with the crime, awarded after three months' proceedings, in their opinion neither satisfied justice nor guaranteed security. The Ministers requested a reply, &c.

His Imperial Highness has to state that in the case in question the Grand Secretary Tsêng, then Governor-General of Chihli, and now transferred to the Governor-Generalship of the Two Kiang, was commissioned with others by the Emperor to seize without sparing the persons guilty of murder, to determine the degree of their crime, and severally to award them punishment in satisfaction [of the lives taken*]; also to take the depositions

* It means that those will be put to death who are guilty of death; forfeiting their lives for the lives they took.

of the Prefect and Magistrate of Tien-tsin, who mismanaged the affair, with careful exactness,* and to send them to the Board of Punishment to have their offence punished; and that this is proof that the case has been proceeded with conscientiously and with justice.

As to the future security of foreigners residing in China, when the population in different places shall have seen the severity with which the murderers of Tien-tsin are dealt with, they will know that whoever takes life will entirely forfeit his own, and they will be unwilling to tempt the law with their own persons; and the local authorities, seeing the punishment to which the Prefect of Tien-tsin and the Magistrates have subjected themselves by their mismanagement, will take solemn warning by the past.

When this case is closed, His Majesty the Emperor will not fail in his wisdom to issue a Decree commanding the Provincial Governments to impress upon the local authorities that they are to insure the security of the foreign communities, to the end that there may be peace between native and foreigner.

As soon as the case is ended, and the Prince has received His Majesty's commands, his Highness will again address the Ministers.

T'ung Chih, 9th year, 9th moon, 3rd day (September 27, 1870).

No. 115.

Mr. Wade to Earl Granville.—(*Received December* 2.)

My Lord, *Peking, September* 28, 1870.

I INCLOSE the copy of a despatch from Mr. Hughes, reporting the demolition of a Roman Catholic Chapel at Woo-ching, a large trading town some miles inland of Kiu-kiang, upon the 11th instant.

The population was evidently excited to this act by the circulation of hostile notices during at least two months. In the six weeks preceding it Mr. Hughes thrice brought the matter to the notice of the Taoutae; his last appeal being made to him on the day before the outrage was committed, when the Taoutae was told that it was contemplated on the morrow.

I have the honour to inclose a copy of the despatch I have addressed to the Prince of Kung upon the subject.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure 1 in No. 115.

Consul Hughes to Mr. Wade, September 14, 1870.

[See Inclosure in No. 90.]

Inclosure 2 in No. 115.

Mr. Wade to the Prince of Kung.

Sir, *Peking, September* 29, 1870.

MR. HUGHES, Her Majesty's Consul at Kiu-kiang, reports that a Roman Catholic chapel has been destroyed at the large trading town of Woo-ching. Foreigners have been used to visit this place unmolested, but of late placards and pamphlets of a nature calculated to inflame the minds of the people have been in circulation there. Mr. Hughes called the attention of the Taoutae to this matter in a private note about the beginning of August, and subsequently in conversation; on the 10th instant he mentioned the rumour that the chapel was to be destroyed the following day, the 11th. The Taoutae promised to give the necessary orders to ensure tranquillity; on the night of the 11th, however, the chapel was destroyed.

It will be remembered that the excitement preceding the Tien-tsin massacre is ascribed in the memorial of the Grand Secretary Tseng Kwo-fan to the fact that inflammatory matter was published in placards and pamphlets, and that the people had never had the truth thoroughly set before them. In the case now reported the excitement of

* Lit., accurately to take their positively truthful admissions

the people who destroyed the chapel is doubtless to be similarly explained, but the Taoutae manifestly took no precaution to allay it.

The chapel was a Roman Catholic chapel, and as such its demolition more immediately regards the Government of France; but the fact that the outrage was the result of a deliberate attempt to excite the people against foreigners, and that the authorities, though repeatedly warned, did nothing to prevent their violence, makes such acts, as I have again and again represented to your Imperial Highness, the common concern of all nations having treaties with China.

I renew, &c.
(Signed) THOMAS FRANCIS WADE.

No. 116.

Mr. Wade to Earl Granville.—(*Received December* 2.)

My Lord, *Peking, September* 29, 1870.

M. DE ROCHECHOUART called this afternoon to tell me that a French merchant, by name Sandri, has arrived here from Tien-tsin and reports that things are improving greatly there. He, M. Sandri, is persuaded that no port in China will be quieter or more secure this winter. The people have evidently great fear of the new Governor-General, Li Hung-ch'ang. M. Sandri has a house and considerable property either in the city or the suburbs. He visits his premises daily, although he does not choose to sleep on them for fear of fire, and he has so far sustained no injury, save at the hands of his own servants. I regard his testimony at this moment as of the highest importance.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

No. 117.

Mr. Wade to the Earl of Granville.—(*Received December* 2.)

My Lord, *Peking, September* 29, 1870.

I HAVE the honour to inclose a copy of a despatch I have this day addressed to Vice-Admiral Sir Henry Kellett, regarding the defence of the communities resident at the Treaty ports.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure in No. 117.

Mr. Wade to Vice-Admiral Sir H. Kellett.

Sir, *Peking, September* 29, 1870.

YOU will have understood that I do not consider the British community at any port (except to a certain extent at Newchwang) in danger, but I regret to say that there is at various points very considerable apprehension of danger, and the disquiet of the residents is kept up by the belief that, under the instructions now issued to Commanders of Her Majesty's ships in these seas, irremediable damage might be done before the interposition of a naval officer would be considered justifiable.

I think it best therefore to request you to authorize all commanders of Her Majesty's vessels lying in the Treaty ports to inform Her Majesty's Consuls that, if satisfied that the quarter inhabited by British subjects is in danger of being attacked, they are prepared at once to land a force for its protection, and to act against any mob or organised body invading it, either singly, or, if vessels-of-war belonging to other Powers be present, in concert with them so long as they are engaged in purely defensive measures.

At places like Shanghae and Tien-tsin their liberty of action would of course extend to the whole foreign quarter. No part of it could be menaced without danger to the whole.

As I have before observed, our greatest danger in a crisis like the present is in our own fears, and I unhesitatingly accept the responsibility of any measure that will deprive our communities of a plea for alarm.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

No. 118.

The Secretary to the Admiralty to Mr. Hammond.—(*Received December* 5.)

Sir, *Admiralty, December* 3, 1870.

I AM commanded by my Lords Commissioners of the Admiralty to request you will lay before the Secretary of State for Foreign Affairs the inclosed copies of a letter of the 3rd October, and its inclosures, from the Naval Commander-in-chief in China, reporting the arrangements made for stationing a force at Newchwang during the winter for the protection of British interests.

2. My Lords cannot but deprecate the detaching of a gun-boat to be frozen in at Newchwang from the middle of November to the end of March, and former correspondence will show that their Lordships have always objected to the landing of Marines at that place.

I am, &c.
(Signed) VERNON LUSHINGTON.

Inclosure 1 in No. 118.

Vice-Admiral Sir H. Kellett to the Secretary to the Admiralty.

Sir, *"Ocean," at Nagasaki, October* 3, 1870.

I RECEIVED last night the accompanying letter from Her Majesty's Consul at Newchwang, requesting the presence of a gun-boat and thirty marines at that port during the winter months. I have the honour to request you will inform the Lords of the Admiralty that I have been in communication with Mr. King already about the affairs of Newchwang, and in July last the "Grasshopper" went there and remained several days, in consequence of the excitement which resulted from the Tien-tsin massacre.

2. Mr. King applied to me on the 19th August that a gun-boat should call in there about the beginning of November, before the harbour was frozen in; but as it was by no means convenient that a small vessel should be cruizing in the Gulf of Pechili in the depth of winter without very urgent necessity, I directed Commander Walker, of the "Dwarf," to select fine weather in the middle of this month and proceed from Che-foo to Newchwang, where he was to ascertain the real condition of affairs, the number of British subjects, men, women, and children, the value of British property, and the history and present numbers of a dangerous class of men called sword-racks, who have been the cause of considerable apprehension to foreigners in former years.

3. These orders had only been despatched a few days before I received Mr. King's letter, and as the season is fast closing, and opportunities of communication with North China by no means regular or frequent, I have been compelled to send the "Salamis" to Shanghae with a despatch to Her Majesty's Minister at Peking, of which, as well as of the consequent instructions I have given to Commander Tracey, I forward copies.

4. I consider that the Consul has improperly delayed making this application, and that it should have been forwarded through Mr. Wade, so that I might have had the benefit of his opinion. As their Lordships approved of landing fifty marines in 1866 at Newchwang, I am in a measure solely responsible for the safety of the people there, in consequence of the unaccountable delay in bringing the subject to my notice. I trust, however, the offer of the gun-boat, if considered necessary by Mr. Wade, will meet all requirements, as I am not at all in favour of landing marines as requested, and that by sending over at once I shall be in time to obtain the opinion of the Minister at Peking.

5. The "Salamis" will bring back the mail due from England at Shanghae on the 11th instant, as it is of the utmost consequence that I should receive it without a moment's delay.

I have, &c.
(Signed) HENRY KELLETT.

Inclosure 2 in No. 118.

Vice-Admiral Sir H. Kellett to Mr. Wade.

Sir, *"Ocean," at Nagasaki, October* 3, 1870.

I HAVE the honour to forward you a copy of a letter I received last evening from Mr. King, Her Majesty's Consul at Newchwang, representing the insecurity of British life

and property there during the coming winter, and requesting that a gun-boat may be stationed there during the months the harbour is frozen in, and that thirty marines may be landed as a guard.

It is a matter of much regret and inconvenience to me that this application has been so long deferred, and has reached me without your opinion endorsed upon it. My own idea is that you will not consider the measures proposed by Mr. King to be at all required, but if you are of opinion that a gun-boat is absolutely required to insure the safety of British subjects during the winter months, and that it is unadvisable to deport them to a place of greater security for a short period, I request that you will have the goodness to lose no time in making application to Commander Tracey, of Her Majesty's ship "Avon," at Tien-tsin, for the "Grasshopper" gun-boat to go there, as she is the only vessel or force I can possibly spare for this purpose.

In order that there may be no loss of time on my part, I despatch the "Salamis" at once to Shanghae, with a request to Her Majesty's Consul there to forward this despatch by the quickest possible means to you.

I have to observe that when a party of marines were stationed at Newchwang in 1866 the Legation provided them with fur clothing, and, should the "Grasshopper" go there, I trust that a similar provision may be made for her men.

I have, &c.
(Signed) HENRY KELLETT.

Inclosure 3 in No. 118.

Orders addressed to Commander Tracey.

(Memo.) *"Ocean," at Nagasaki, October* 3, 1870.

SHOULD you receive an application from Her Majesty's Minister at Peking for a gun-boat to proceed to Newchwang to winter there, you are to lose no time in preparing the "Grasshopper" for this service, completing her with all she will require, including the stores and piping intended for her at Tien-tsin.

Should the "Grasshopper" be sent on this duty, Lieutenant Ryder is to be instructed immediately on his arrival to place himself in communication with Her Majesty's Consul, and concert measures with him for placing his gun-boat in the position best adapted for the protection of the Consulate and Settlement, and for his own defence and safety. He will probably find it necessary to use mud dock and other works, which can only be constructed before the frost sets in, and therefore his departure from Tien-tsin should immediately, on receiving Mr. Wade's application, be expedited as much as possible.

You will inform Lieutenant Ryder, if he proceeds on this service, that it is a very responsible and important one, and I trust he will prove himself worthy of the confidence I have reposed in him. He is to report fully by every opportunity the condition of affairs, the health and behaviour of his crew, and indeed, all that concerns himself and those under his protection.

Her Majesty's Minister will probably provide warm fur clothing for the crew during the winter. Great care is to be taken of it, and it is to be returned to the Consul in the spring.

You will impress upon Lieutenant Ryder, that if isolated at Newchwang for the winter, the comfort of himself and his crew will be best secured by the maintenance of good order and discipline. A vigilant watch is to be kept night and day to prevent surprise, and the crew should be all on board by sun-set.

(Signed) HENRY KELLETT,
Vice-Admiral and Commander-in-Chief.

Commander Tracey, Her Majesty's ship "Avon,"
Senior Officer, Tien-tsin.

No. 119.

The Secretary to the Admiralty to Mr. Hammond.—(Received December 5.)

Sir, *Admiralty, December* 3, 1870.

I AM commanded by my Lords Commissioners of the Admiralty to transmit to you, for the information of the Secretary of State for Foreign Affairs, the inclosed extract from

a despatch of the 3rd October last, from the Naval Commander-in-chief on the China Station, relative to the state of affairs in China.

I am, &c.
(Signed) THOS. WOLLEY.

Inclosure in No. 119.

Vice-Admiral Sir H. Kellett to the Secretary to the Admiralty.

(Extract.) "*Ocean*," *at Nagasaki*, *October* 3, 1870.

I HAVE the honour to request you will inform the Lords Commissioners of the Admiralty that the state of affairs in China, as far as my information enables me to judge, is much more satisfactory. I learnt from Rear-Admiral Dupré a few days ago, that Count Rochechouart has received propositions from the Chinese Government which he considers admit of a "solution admissible" of their difficulties; but the terms of the proposition the Admiral was unable to describe. The excitement which was produced both amongst Europeans and Chinese by the Tien-tsin outrages has greatly subsided and confidence is returning rapidly. I confess I am but indifferently made acquainted with the state of affairs in China by Her Majesty's Chargé d'Affaires, although I have officially pointed out the necessity of his keeping me informed of what is passing.

A separate letter will acquaint their Lordships of my views of an application from Her Majesty's Consul at Newchwang for a force consisting of a gun-boat and thirty marines to winter at that port. I have offered a gun-boat, subject to the approval of Her Majesty's Chargé d'Affaires at Peking, and have declined to send marines, my own opinion being in favour of removing Europeans from so dangerous a place during the winter.

I was visited by his Excellency M. Vlangaly, the new Russian Minister to Peking, on the 1st instant. He was on his way to his new post, but had no information to give me.

The United States' ships "Colorado," "Benicia," and "Alaska," under Rear-Admiral Rodgers, are in the neighbourhood of Shanghae and Chefoo.

The mail which left England on the 12th August reached me last evening, and I have received their Lordships' despatches up to that date.

Telegrams from Europe, *viâ* Russia announce great reverses to France, including the capture of the Emperor, proclamation of a Republic, and capitulation of 80,000 men. Should these telegrams be verified, I shall proceed to Hong Kong in the "Ocean," and strengthen the squadron both in the South of China and at Singapore. I have already sent the "Barrosa" to the latter place.

I shall probably defer putting the "Adventure" out of commission until I receive more satisfactory news from Europe.

The "Alma," a sister ship of the "Belliqueuse," is said to be hourly expected by the French Admiral to carry his flag, when the "Venus" will be detached to cruize.

The "Adventure" and the "Elk" are expected here in a few days, the former on her way to Hong Kong.

No. 120.

Mr. Hammond to the Secretary to the Admiralty.

Sir, *Foreign Office*, *December* 6, 1870.

I AM directed by Earl Granville to transmit to you, to be laid before my Lords Commissioners of the Admiralty, the accompanying copies of a despatch from Mr. Wade and its inclosures respecting the assistance rendered by Her Majesty's ships "Barrosa" and "Grasshopper" to American missionaries at Teng-chow-foo.*

I am, &c.
(Signed) E. HAMMOND.

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* No. 104.

No. 121.

Mr. Hammond to the Secretary to the Admiralty.

Sir, *Foreign Office, December* 6, 1870.

WITH reference to your letter of the 3rd instant, I am directed by Earl Granville to transmit to you, to be laid before my Lords Commissioners of the Admiralty, a copy of a letter addressed by Mr. Wade to Her Majesty's Senior Naval Officer at Che-foo, respecting the necessity for stationing a gun-boat at Newchwang during the winter.*

I am, &c.

(Signed) E. HAMMOND.

No. 122.

Earl Granville to Mr. Wade.

Sir, *Foreign Office, December* 7, 1870.

HER Majesty's Government approve the Circular which you addressed to Her Majesty's Consuls respecting Missionary establishments in the interior of China, and of which a copy is inclosed in your despatch of the 22nd of September.

I am, &c.

(Signed) GRANVILLE.

No. 123.

Earl Granville to Mr. Wade.

Sir, *Foreign Office, December* 7, 1870.

HER Majesty's Government approve your proceedings at the interviews with the Chinese Ministers reported in your despatch of the 23rd of September.

I am, &c.

(Signed) GRANVILLE.

No. 124.

Earl Granville to Mr. Wade.

Sir, *Foreign Office, December* 7, 1870.

HER Majesty's Government approve the representation you have made to the Prince of Kung respecting the destruction of the Roman Catholic Chapel near Kiu-kiang, and of which a copy is inclosed in your despatch of the 28th of September.

I am, &c.

(Signed) GRANVILLE.

No. 125.

Earl Granville to Sir E. Thornton.

Sir, *Foreign Office, December* 7, 1870.

WITH reference to my despatch of the 5th of November last, I transmit to you herewith, for your information, a copy of a despatch from Mr. Wade, and its inclosures respecting the assistance rendered to American missionaries at Teng-chow-foo.†

I also inclose a copy of a further despatch from Mr. Wade, respecting the state of affairs at that city.‡

I am, &c.

(Signed) GRANVILLE.

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* Inclosure 3 in No. 112. † No. 104. ‡ No. 105.

No. 126.

Mr. Hammond to the Secretary to the Admiralty.

Sir, *Foreign Office, December 7,* 1870.

I AM directed by Earl Granville to transmit to you, to be laid before the Lords Commissioners of the Admiralty, the accompanying copy of a letter which Mr. Wade has addressed to the Senior Naval Officer at Che-foo, respecting the protection of British subjects at Tien-tsin during the winter.*

I am also to inclose a copy of a despatch from Mr. Wade, forwarding a copy of a letter to Vice-Admiral Sir H. Kellett, on the general question of protection at the Treaty ports.†

I am, &c.
(Signed) E. HAMMOND.

No. 127.

The Secretary to the Admiralty to Mr. Hammond.—(Received December 8.)

Sir, *Admiralty, December* 7, 1870.

WITH reference to your letter of yesterday's date, inclosing a copy of a despatch from Mr. Wade to Her Majesty's Senior Naval Officer at Che-foo, in regard to the necessity of stationing a gun-boat at Newchwang during the winter, I am commanded by my Lords Commissioners of the Admiralty to request you will call the attention of the Secretary of State for Foreign Affairs, to the inclosed copies of letters from Vice-Admiral Sir Henry Kellett, dated 14th of October, with reference to the state of affairs in China, and inform his Lordship that my Lords regret that Her Majesty's Chargé d'Affaires in China should have made such requisitions to the Vice-Admiral as have induced him, contrary to his own judgment, not only to detach two gun-boats to Tien-tsin, and a gun-boat and marines to Newchwang for the winter, but to give orders (before the arrival of Her Majesty's ship "Juno" with a force of marines) for men to be landed from Her Majesty's ships at the other Treaty ports to protect British subjects in the event of any threatened attack.

2. My Lords desire me to inclose a Memorandum of the disposition of the Chinese squadron.

3. Earl Granville will observe from Sir Henry Kellett's letter that the force at his disposal will not enable him to comply with the requests made for the presence of Her Majesty's ships at all the various Treaty ports, whilst four vessels are at the northern ports, viz. two at Tien-tsin, one at Newchwang, and one at Che-foo.

4. My Lords are aware that the proceedings of Mr. Wade are at variance with the instructions given him by Earl Granville on the 6th of October last; they have only therefore to state, in addition to the observations contained in my letter of the 3rd instant, that they consider the efficiency of Her Majesty's ships may be seriously impaired by the landing of their crews, and that, as in the case of the twelve marines sent to Newchwang, the force would appear to be much too small to offer a successful resistance to any pressure of a large number of drilled Chinese, whilst the adoption of such a course in a certain degree relieves the Chinese authorities from the responsibility of protecting British life and property.

I am, &c.
(Signed) VERNON LUSHINGTON.

Inclosure 1 in No. 127.

Vice-Admiral Sir H. Kellett to the Secretary to the Admiralty.

Sir, *"Ocean," at Nagâsaki, October* 14, 1870.

I HAD the honour, in my letter of the 3rd instant, to transmit a correspondence with regard to the affairs at Newchwang, from which their Lordships would perceive that, if Her Majesty's Chargé d'Affaires at Peking applied to the Senior Officer at Tien-tsin for a gun-boat to be sent there, his request was to be immediately complied with. This

* Inclosure 5 in No. 110. † No. 117.

application, it appears, has been made to the Senior Officer at Che-foo, a copy of which I inclose, and I trust the "Grasshopper" has now been ordered on this service.

2. I stated in the letter before quoted that I objected to the landing of marines at Newchwang, and hoped to avoid it, as, however, Mr. Wade has so strongly endorsed the views of the Consul there, and yet reduced the number of marines required to ten. I have decided to comply with this requisition, and the men will be detached from the "Ocean" with the necessary ammunition and warm clothing in a few days.

3. I am compelled to repeat that I consider this request for a gun-boat and marines to winter at Newchwang should have been made to me much earlier, as there is now barely time to comply with it, and considerable inconvenience is caused by my not being made acquainted with the probability of such arrangements being necessary, which must have been known long ago.

4. The second inclosure in this letter is a copy of a confidential communication from Mr. Wade, dated 25th September last, addressed to the Senior Officer, Che-foo, and sets forth his views of affairs at Tien-tsin, which I regret to find are by no means as satisfactory as I could desire, and also convey his suggestions as to what amount of force he considers necessary there for the winter.

5. Under the circumstances I see no alternative but to send Commander Wootton and the "Elk" to reinforce the "Avon," and to embark in her two 12-pounder field-pieces for landing purposes.

6. The orders I shall give will be somewhat of the tenor indicated in Mr. Wade's letter. I have already directed that any aggressive attack on the settlement is to be repelled by every possible means; and if the four French gun-boats remain in the river, which I understand from Admiral Dupré will be the case, I cannot suppose that any harm can happen to the settlement unless the Chinese Government most culpably fail in their duty and neglect their Treaty engagements. It shall be thoroughly made known that the settlement is in military possession of the foreigners, and that any breach of the regulations for admission into it will be at the peril of the intruder. As an isolated suburb, its position specially adapts it for defence.

7. I confess I am of opinion that the apprehensions of foreigners in the North of China are exaggerated; still as they exist to a considerable extent, and Mr. Wade regards deportation worse than defeat, I have as far as possible met his wishes, and trust their Lordships' approval will result.

I have, &c.
(Signed) HENRY KELLETT.

Inclosure 2 in No. 127.

Vice-Admiral Sir H. Kellett to the Secretary to the Admiralty.

Sir, *"Ocean," at Nagasaki, October* 14, 1870.

I HAVE the honour to inclose a copy of a letter I have received from Her Majesty's Chargé d'Affaires at Peking, respecting the landing of men from Her Majesty's ships under circumstances of a rising of a Chinese mob, and I request you will inform the Lords Commissioners of the Admiralty that I have, in consequence, given instruction to the commanding officers of all ships employed in the Treaty ports in China to act as requested by Mr. Wade when necessary; but I have deemed it proper to caution them that they are in no case to impair the efficiency of the ship for self-defence or imperil her safety from other causes, from the absence on this service of more men than can be spared.

I have, &c.
(Signed) HENRY KELLETT.

Inclosure 3 in No. 127.

Mr Wade to Vice-Admiral Sir H. Kellett, Peking, September 29, 1870.

[See Inclosure in No. 117.]

Inclosure 4 in No. 127.

Vice-Admiral Sir H. Kellett to the Secretary to the Admiralty.

(Extract.) "*Ocean*," *at Nagasaki, December* 14, 1870.

MY Separate letters by this mail will make their Lordships fully acquainted with the state of affairs, and the steps I have taken in consequence at Tien-tsin and Newchwang.

The "Elk" leaves for Tien-tsin to-morrow, and the "Salamis" with a party of twelve marines for Newchwang at the same time.*

The "Grasshopper" will probably leave Tien-tsin for Newchwang to-day, and will forthwith prepare herself for wintering there. The "Dwarf" will be at Newchwang about the time of the "Grasshopper's" arrival there, and will assist in making arrangements for placing her in a position of safety, and will take care that everything is provided to insure the health and comfort of the crew. Having done which she will return to Che-foo.

Disquieting rumours prevail all over China, but no disturbance has taken place.

At Tien-tsin there are four French gun-boats which will probably winter there, and the "Asshuelot," United States' corvette about the movements of which vessel I am not informed. Her Majesty's ship "Avon" is there and is about to be reinforced by the "Elk."

Her Majesty's Consul at Foo-chow has forwarded me a petition from the British subjects there, requesting that a gun-boat may be constantly stationed at Pagoda anchorage, and that a large vessel may be anchored off the native town.

It is quite impossible that I can comply with this request, for the number of vessels in the station will not admit of it, and the old fashioned gun-boats are so much in want of new boilers and thorough repair that they are rapidly becoming useless to me. I shall however, make every provision I can for the safety of the settlement at Foochow.

Inclosure 5 in No. 127.

Statement of the Disposition of Ships on the China Station, December 6, 1870.

JAPAN.

At Osaka.—"Cockchafer."
At Nagasaki.—"Ocean" (going to Hong Kong). "Salamis."
At Yokohama.—"Rinaldo." "Ringdove" (she left Mazatlan on September 6).

CHINA.

At Newchwang.—"Grasshopper."
At Tien-tsin.—"Avon." "Elk."
At Che-foo.—"Dwarf."
Al Shanghae.—"Zebra." "Opossum." "Dove."
At Ningpo.—"Leven."
At Kiu-kiang.—"Firm."
At Foo-chow-foo.—"Banterer."
At Amoy.—"Hornet."
At Hong Kong.—"Princess Charlotte" (station ship). "Melville" (hospital ship). "Bouncer" (unserviceable, except in emergency). "Starling."
At Singapore.—"Icarus." "Algerine." "Barrosa."
At Hankow.—"Midge."

"Adventurer" is ordered to be at Singapore by December 30, to meet "Juno," and convey Marines to Japan "Juno" proceeds to Hong Kong.

No. 128.

Mr. Hammond to the Secretary to the Admiralty.

Sir, *Foreign Office, December* 10, 1870.

WITH reference to your letters of the 3rd and 7th instant, I am directed by Earl Granville to transmit to you for the information of the Lords Commissioners of the Admiralty, the accompanying copy of a despatch from Mr. Wade,† reporting his

* 1 sergeant, 1 bombardier, 3 gunners Royal Marine Artillery, 7 privates Royal Marine Light Infantry.
† No. 112.

proceedings respecting the protection of British subjects at Newchwang during the winter.

I am, &c.
(Signed) E. HAMMOND.

No. 129.

Mr. Wade to Earl Granville.—(*Received December* 11.)

(Telegraphic.) *Peking, November* 26, 1870.

ALL quiet in China; foreign residents remain here to winter as usual.

No. 130.

Earl Granville to Mr. Wade.

Sir, *Foreign Office, December* 12, 1870.

I HAVE received from Mr. Consul Hughes a copy of his despatch to you of the 29th September, respecting the imprisonment of unoffending native Christians at Woocliing, and I have to instruct you to call the serious attention of the Chinese Government to the matter.

I have informed Mr. Hughes that his proceedings are approved.

I am, &c.
(Signed) GRANVILLE.

No. 131.

Earl Granville to Consul Hughes.

Sir, *Foreign Office, December* 12, 1870.

I APPROVE yonr proceedings respecting the imprisonment of native Christians at Woocliing, as reported in your despatch of the 7th October, and have instructed Mr. Wade to call the serious attention of the Chinese Government to the matter.

I am, &c.
(Signed) GRANVILLE.

No. 132.

Mr. Hammond to the Secretary to the Admiralty.

Sir, *Foreign Office, December* 13, 1870.

I HAVE laid before Earl Granville your letter of the 7th instant and its inclosures; and I am, in reply, to request that you will state to the Lords Commissioners of the Admiralty that his Lordship concurs with them in principle in the objection which they entertain to Her Majesty's ships-of-war being retained during the winter in the frozen ports of the North of China, though he believes that it will not be the first time that a gun-boat has been thus laid up at Tien-tsin.

Their Lordships will, however, observe that the arrangements made by Vice-Admiral Sir H. Kellett, at Mr. Wade's suggestion, were arrived at before the instructions of the 6th of October could have reached China, and Lord Granville trusts that no evil result may be apprehended from them either at Tien-tsin, where the British vessels will be supported by the French naval forces, or at Newchwang, where, as his Lordship understands, the marines are only to be landed in case of emergency, and then only under the protection of their vessel stationed on the opposite side of the river in such a manner as to command the Settlement.

The authority given by Vice-Admiral Sir H. Kellett for the marines to be landed at other Treaty Ports in the event of an attack being imminent on the British settlements is in accordance with the policy laid down in my letter of the 6th of October, and, in so far, should, Lord Granville considers, be approved.

The reinforcement of the China squadron by Her Majesty's ship "Juno" will serve to

relieve Sir H. Kellett from the difficulties which he might otherwise encounter from the withdrawal of the "Avon," "Elk," and "Grasshopper," from active service. He does not seem to have heard of that vessel having been ordered to join him when he last wrote or of the reinforcement of marines on their way.

I am to add that Lord Granville would suggest that the Board of Admiralty should instruct Sir H. Kellett to remain on the China Coast during the winter.

I am, &c.
(Signed) E. HAMMOND.

No. 133.

Earl Granville to Mr. Adkins.

Sir, *Foreign Office, December* 13, 1870.

I HAVE read with interest the Memorandum of your interview with Li Hung-chang inclosed in your despatch of the 3rd October, and I approve of the language you held on that occasion.

I am, &c.
(Signed) GRANVILLE.

No. 134.

Mr. Wade to Earl Granville.—(Received December 18.)

My Lord, *Peking, October* 6, 1870.

IN my despatch of the 29th of September I referred to statements made by M. Sandri, a French merchant of Tien-tsin. I have since seen M. Sandri. He was absent at the time of the massacre, and on his return, some weeks later, found his native constituents in great alarm. This has now passed away. The dealers come to him by scores at a time.

I should state that his house is in the suburbs, not, as I imagined, in the city; but it lies at no great distance from the hospital of the Sisters of Charity; and it is remarkable that when the destroyers of this latter building mobbed his house on the 21st of June it was protected by the respectable Chinese of the neighbourhood on the ground that he was not connected with the religious establishments, that he was their friend, and lastly, that, as his neighbours, damage done to him might be visited upon them. He has lost nothing that was on his premises, except, as I stated before, by the acts of his own people.

He has been told that the movement which proved so serious on the 21st of June was projected as early as the 4th; that it was to have been against all foreigners, the attack on the Romish establishments and French Consulate to come off, as it did, upon the 21st; a second to be made upon the foreign Settlement (the British concession) a day or two later. All this, he understands, was formally arranged by the notables at a public meeting of the proceedings, at which a minute is stated to exist. M. Sandri, however, has not seen this minute. He thinks that the Tien-tsinese were deterred from the second attack partly because that on the French had gone so far beyond the length originally proposed; for no blood was to have been shed; partly because the residents showed themselves on the alert; partly because there was on the day selected a heavy fall of rain.

He apprehends no danger to the foreign Settlement during the winter if the gunboats remain; but he expects that the new Governor-General's levies, some 5,000 odd troops, of the tendencies common to all Chinese armies, will prove a sore trouble to the well-to-do inhabitants of Tien-tsin.

I have. &c.
(Signed) THOMAS FRANCIS WADE.

No. 135.

Mr. Wade to Earl Granville.—(Received December 18.)

My Lord, *Peking, October* 7, 1870.

I HAVE the honour to inclose a translation of a despatch I received yesterday from the Prince of Kung. It embodies an Imperial Decree confirming the sentences passed

by the Board of Punishments upon the Prefect and Magistrate of Tien-tsin, and by the Governor-General Tsêng Kwo-fan upon a number of persons convicted as principals or accessories in the massacre.

Of the principals fifteen are to be beheaded; of the accessories twenty-one to be transported to distant parts of the empire. The Prefect and Magistrate are to be exiled to the banks of the Amoor, their stated offences, namely, neglect of precautions that would have prevented the massacre and subsequent inactivity in pursuing the guilty, being aggravated by their evasion in different directions after a Decree had been issued committing them for trial before the Board.

Chen Kwo-jui, ex-rebel and titulary general, is not alluded to. As I have reported, *he was sent to Tien-tsin* to be examined; but, as will have been seen in the Memorandum *of which Mr. Adkins has by my desire sent a copy direct* to your Lordship, his explana*tions are held entirely to absolve him of participation in* the massacre.

The Decree itself is better than any of the three or four earlier Decrees upon the subject in that it contains nothing objectionable: no half insinuations that the stories employed to excite the people against Christians or foreigners were not utterly devoid of truth. On the other hand, neither in form nor substance is it calculated to satisfy the Representatives of foreign Powers, who, having acted throughout this affair as the friendly counsellors of China, can hardly fail to consider themselves as having been trifled with.

I have confined myself to a simple acknowledgment of the Prince's despatch. inclose a copy of my reply.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure 1 in No. 135.

The Prince of Kung to Mr. Wade.

(Translation.)

THE Prince of Kung, &c., makes a communication.

On the 11th day of the 9th moon of the 9th year of T'ung Chih (October 5th) the Prince had the honour to receive the following Imperial Decree:—

"Chang Kuang-Tsao, Prefect of the department of Tien-tsin, and Lin-Chieh, magistrate of the district of Tien-tsin [having been charged*] in the matter of the collision† between the people and the Christians, with neglect of due precaution before the event, and after the event with want of alacrity in arresting the guilty, were by our Decree deprived of office and committed to the Hsing Pu (the Board of Criminal Justice) for punishment. Their depositions were subsequently taken by Tsêng Kwo-fan and his colleagues, and they were then carried into custody to the Board.

"The Board now prays assent to its award [in their case, namely that] in addition to the privation of office which the law inflicts upon civilians with magisterial functions,‡ who in cases of disturbance raised by lawless persons prove unequal to the control [of the evil-doer], and the protection§ [of the good subject], they (the officials)‖ should be sent to serve at the frontier stations."

The Board further prays that as the circumstances of the case are of unusual gravity, we will be pleased to signify to what place they shall be sent as a punishment extraordinary.¶

"The Prefect and Magistrate in question proved incompetent to provide against a disorderly outbreak of the people of Tien-tsin, with the jurisdiction of which locality they were charged, and lawless persons profiting by the opportunity were hence enabled to raise fire and commit murder, taking several lives. They then showed no alacrity in arresting the murderers. These were circumstances of great gravity. Yet more, when these officials, after privation of office, had been committed by our Decree to the Board of Criminal Justice, Chang Kuang Tsao actually ventured on his own responsibility to proceed to Shun Te; Lin Chieh similarly proceeding to Mih-yün; and at these places they tarried, as it seemed to them good—a contemptuous trifling [with authority] even more serious.

* By Tsêng Kwo-fan. See Decree of July 25.

† *Lit.* The breaking out of the feud. The expression is not fair to the facts, for it implies that hostile action was taken on both sides.

‡ *Lit.* In charge of localities.

§ *Lit.* Comforting.

‖ As menials.

¶ Or, to what place, instead of the ordinary place, viz.: the far West: either East Turkestan, which is in the hands of the Mahometans, or the provinces beyond outer Mongolia towards the Siberian frontier, west of Ourga.

"We command that as an extreme penalty, Chang Kuang-tsao and Lin Chieh have their place of exile changed to Hei Lung Chiang,* and that they be sent there to work, in expiation of their offence; that their punishment may serve as a warning to others.

"As for the people of Tien-tsin becoming exasperated by reason of their suspicions, they disregarded the efforts of their authorities to control them, and at a moment's notice they dared to give way to their savage passions (or to their blood-thirstiness), taking upwards of twenty lives. Their barbarous murder of the sisters of the Jên Tzu-t'ang was even more atrocious. Tsêng Kwo-fan has seized the parties concerned in the outbreak, and, having convicted them of acts, some more some less criminal, has sentenced Fêng Ch'üc h-zu† and others, fifteen in all, to death, and Wang Wu, nicknamed Hsiao-chui,‡ to ttransportation in the greater and lesser degrees; and, the facts against them being established, the penalty is commensurate [with their crime]. We command that in accordance with his award, Fêng Chüch-tzu and the rest be at once put to death, and Hsiao-chui, Wang Wu and the rest severally forwarded to their destinations.

"These severe punishments inflicted, it will be the special duty of the Provincial Authorities to desire the people by proclamation to follow their callings in peace and to abide by the laws, and so to prevent a recurrence of such outbreaks. Any case that may arise in which native and foreigner are jointly concerned, is to be disposed of according to Treaty, justly and satisfactorily; the one desideratum being that the trading communities, native and foreign, may be at peace together, and the places [at which they reside together] undisturbed.

"Respect this!"

It is the duty of the Prince to communicate the above to Mr. Wade, &c.

T'ung Chih, 9th year, 9th moon, 11th day (October 5th, 1870).

Inclosure 2 in No. 135.

Mr. Wade to the Prince of Kung.

Sir, *Peking, October* 7, 1870.

I HAD the honour to receive, yesterday morning, your Imperial Highness's despatch informing me of the penalties to which the officials and people connected with the massacre of foreigners at Tien-tsin had respectively been sentenced.

I shall lose no time in forwarding copy of the despatch to Earl Granville for the information of Her Majesty's Government.

I renew, &c.
(Signed) THOMAS FRANCIS WADE.

No. 136.

Mr. Wade to Earl Granville.—(Received December 18.)

My Lord, *Peking, October* 8, 1870.

I HAVE the honour to forward copy of a Memorandum by Mr. Adkins, of a conversation with Li Hung-ch'ang, Governor-General of Chih Li; also Mr. Lay's Report of his visit. I believe the Governor-General both able and willing to make good his vaunt regarding the security of foreigners at Tien-tsin. He is a man of much energy and decision, and greatly feared by his subordinates. In his first proclamation, issued on his arrival in Tien-tsin, he reminded the people that he had been for years engaged in the suppression of the Taepings and other rebels, and that he was not a man to be trifled with.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

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* The remains of the province of Tsitoohar, on the banks of the Amoor.
† Fêng the lame.
‡ Hsiao-chui; the little awl, &c., of vicious activity.

Inclosure 1 in No. 136.

Memorandum of Interview between Consul Adkins and Li Hung-ch'ang, Governor-General of Chih-li, on the 2nd of October, 1870.

[See Inclosure in No. 101.]

Inclosure 2 in No. 136.

Acting Consul Lay to Mr. Wade.

Sir, *Tien-tsin, October* 3, 1870.

I HAVE the honour to inform you that I called to-day on his Excellency Li Kung-chang, to pay my respects to him on his assumption of office as Governor-General.

His Excellency received me in the most civil and courteous manner, and indulged in some pleasant small talk. A military mandarin and some six or seven soldiers having appeared at the Consulate to escort me to the Kung-kuan occupied by Li Hung-chang. I asked his Excellency the reason of this proceeding, and told him that on each visit I had made to a yamên I had been similarly escorted. Li Hung-chang replied that the sending of these escorts was the work of the local officials, and was not only prompted by the best intentions, but also arose from their fear of consequences, and their determination to provide against the slightest mishap to the foreign official. He also stated that Tien-tsin was all quiet, and that nothing was to be feared. On hearing this I asked his Excellency what would be done in the event of troubles during the winter. He immediately replied that such things were impossible, and that in the event of their taking place we might hold him responsible for them.

I did not advert to the question of the Protestant chapels referred to in your despatch received this morning, as the missionaries wish to consult one of their number who is at present absent from Tien-tsin, before letting me know their intentions as to rebuilding them.

I may here state, that the guard stations which I described in a former despatch appear to have all disappeared from the streets, from such, at least, as I traversed to-day, and Mr. Frater, who went the other day to that part of Tien-tsin where the yamên of the Superintendent of Trade is situated, and proceeded along the streets in which, on my last visit to that quarter, both policemen and guard stations were frequently seen, assured me on his return that he had only seen one policeman in the streets.

I have, &c.
(Signed) W. F. LAY.

No. 137.

Mr. Wade to Earl Granville.—(*Received December* 18.)

My Lord, *Peking, October* 10, 1870.

IN continuation of my despatch of the 7th instant, inclosing a translation of the Decree of the 5th instant, I have the honour to forward translation of a despatch received this evening from the Prince of Kung. It communicates a Decree issued yesterday to confirm sentence of death passed on five other criminals convicted of participation in the Tien-tsin massacre, and of the transportation of four more.

I hear privately that the addition of these five to the fifteen earlier sentenced to capital punishment, is the result of our collective note of the 24th of September.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure in No. 137.

The Prince of Kung to Mr. Wade.

(Translation.)

THE Prince of Kung, &c. makes a communication to Mr. Wade.

The Prince has already communicated to Mr. Wade a Decree which he had the honour to receive on the 11th of the present moon (October 5th), by which the Prefect

and Magistrate [compromised in] the Tien-tsin affair were punished with extreme severity; Fing the Lame, and fourteen others of the persons concerned in the disturbance were sentenced to death; and Wang Wu, nicknamed the Little Awl, and others, twenty-one in all, were sentenced to transportation.

Upon the 15th day of the 9th moon of the 9th year of Tung chih (October 9th), his Highness had the honour to receive a second Decree as follows:—

"With reference to the Memorial of Tsêng Kwo-fan and his colleague,* reporting their award in the case of other parties in the Tien-tsin case whom they have condemned in further proceedings; the criminals arrested subsequently [to those already dealt with] having been found guilty of acts more or less grave, as set forth in the return presented by Tsêng Kwo-fan and his colleagues, We command that, in accordance with the award of these Governors-General, Lin Uh and the other four criminals be executed, and that Têng Lao and the other three be transported. Respect this."

The Grand Secretaries Tsêng and Li having tried, sentenced, and reported the conclusion of the case [against the men above mentioned], it becomes the Prince's duty to communicate this to Mr. Wade.

A necessary communication addressed to Mr. Wade, Her Britannic Majesty's Chargé d'Affaires.

Tung chih 9th year, 9th moon, 16th day (10th October, 1870).

No. 138.

Mr. Wade to Earl Granville.—(*Received December* 18.)

My Lord, *Peking, October* 10, 1870.

IN my despatch of the 23rd September I inclosed copy of a despatch from Mr. Hughes reporting the destruction of a Roman Catholic Chapel at Woo-ching, some fifty miles from Kiu-kiang.

By recent accounts another Roman Catholic establishment at Fu-chou, in Kiang Si, to the southward of the Poyang Lake, has been destroyed. There was, if I mistake not, an Orphelinat at the place and a Society of Sisters. Happily no life was lost.

It is to be observed that so far these violent movements have all been directed against religious establishments; that in Nanking, which was checked by the energy of Ma Sin-i, taking the lead. This was followed closely by the Tien-tsin massacre of the 21st June, some three months later by the affair at Wo-ch'ing, and this again by the outrage I now report. There is little distinction in the minds of the Chinese—with many none at all—between Romanist and Protestant, and there is no doubt some danger, though I do not believe it imminent, that hostility to the missionary will grow into hostility to the foreigners. Itcan hardly fail to spread in this direction, unless the Government stir itself in earnest to protect the religious missions.

I am happy to say that it has shown some signs of vigilance in this respect. I am informed by Mr. Low, that since the massacre, indeed apparently because of the massacre, a claim of some date affecting an American chapel at some place, had been settled, and in this province where, as I have more than once reported, there has been during the last three months no small disquiet, the injury done to some Romish establishments, at a considerable distance from Peking, has been punished by the degradation of a military man of rank and the severe chastisement of his men. The property taken was either restored or made good.

This last, which is a very recent incident, is the more remarkable because, although the Yamên might have been expected to claim credit for activity in the matter, not a word was said to M. de Rochechouart on the subject. His information comes entirely from the missionaries who had complained.

As I have earlier reported, at the instance of Mr. Adkins, I called the Prince's attention to the threatened molestation of some native Protestants about fifty miles from this. The Yamên wrote twice, and I am assured with good effect.

Lastly, the American missionaries removed from Têng-chou have been so far reassured that two of their number have returned to the city, and will, I hear, shortly be followed by the rest of their colleagues.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

P.S—The sisters at Fu-chow are Chinese. There are no European sisters except at

* Li Hung Chang.

Peking, Tien-tsin, Shanghae. Hankow, and Canton. From Canton they have all been sent home to France by the French Cousul.

T. F. W.

No. 139.

Mr. Wade to Earl Granville.—(Received December 18.)

My Lord, *Peking, October* 11, 1870.

MR. MAYERS, acting as Consul at Chefoo, has forwarded me a pamphlet against Christianity, the circulation of which was one of the indications of bad feeling that determined the American missionaries to leave Têng-chow.

The pamphlet is the carefully prepared compilation of a lettered man, who gives a list of 100 native works that he has consulted. It must have been published since 1860, for in one place allusion is made to the advance of the allies on Peking. The author is a native of Kiang-si, yet, according to the missionaries, numerous copies of his work have been seen in the vicinity of Têng-chow, the source of their distribution being invariably the official Yamêns.

I have instructed Mr. Mayers to let me have some more exact information on this head, and at once to bring the circulation of the pamphlet to the notice of the Governor of Shan-tung, the province concerned; and I have myself complained of its appearance to the Prince of Kung. I beg to inclose copies of my despatch, of his Highness' reply, received last evening, and of a short answer to this, pointing out that the birthplace of the pamphlet is in a province in which two Roman Catholic chapels have been burned down in the last few weeks; farther, that it must have been compiled since the Convention of 1860.

The work is well turned out, but, were it less bulky, it would hardly be worth a full translation. The memorandum appended, of some of the matter to which I directed the Prince's attention, will, I believe, suffice to give your Lordship a notion of the idea which an educated Chinese can at the present day bring himself to form of the practices of Christians.

The time is not, it is true, so very remote when things equally odious were believed of the Jews by nations that had been nominally for centuries under the influence of Christianity.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure 1 in No. 139.

Mr. Wade to the Prince of Kung.

Sir, *Peking, October* 5, 1870.

YOUR Imperial Highness is already aware that a number of American missionarie residing in the city of Têng-chow-foo were so alarmed by the reports which had reached them of intended violence, that application was made to the Commander-in-chief of Her Majesty's Navy in these seas to remove them, and that they were accordingly removed to Chefoo.

The missionaries were terrified by alarming rumours, and also by the circulation of incendiary documents. One of these has been forwarded to me by Mr. Mayers, Her Majesty's Acting-Consul at Chefoo. I find it to be a pamphlet evidently prepared by a Chinese of education of the Department of Jao-chow in Kiang-si, a province at a considerable distance from Shan-tung. Yet the pamphlet is stated to have appeared at many places in the latter province, and to have emanated always from the Yamêns of officials.

I have desired Mr. Mayers to complain at once to the Governor of the Province of the circulation of such a work within his jurisdiction, and I now beg to inclose the copy in my hands to your Imperial Highness. I request attention particularly to the disgraceful passages which I have marked with a red pencil on the first few pages of the pamphlet, and I shall only add that if the lettered men who can reproduce statements so disgusting and so ridiculous know no better, the Government is responsible for their ignorance; that whether the statements are reproduced in ignorance or not, the Government is by its own laws at any time responsible for their propagation; and that the propagation of such statements almost at the same moment that stories equally disturbing, though equally puerile,

were being used to excite the people of Tien-tsin to the fearful deed of the 21st June, will be held by all foreign nations seriously to aggravate the responsibility of the Government.

I renew, &c.

(Signed) THOMAS FRANCIS WADE.

Inclosure 2 in No. 139.

The Prince of Kung to Mr. Wade.

(Translation.)

THE Prince of Kung, &c., makes a communication.

On the 11th of the present moon (October 5th), the Prince received Mr. Wade's despatch, stating that Mr. Mayers, the Acting Consul at Che-foo, had forwarded him a pamphlet; Mr. Wade had marked with a red pencil several disgraceful passages in the first few pages of it, and inclosed it for the Prince's inspection, with a request that it might be returned when his Highness had perused it.

The Prince would observe that ever since Christianity began to be preached in China, there has been a continual issue of handbills and placards against it in different provinces. The Yamên has again and again written to the Provincial Governments to direct the officers under them strictly to prohibit [their publication], but to the literati and people anything novel appears a wonder,* and they continue, notwithstanding, to wage literary warfare † [against Christianity], vilifying it with all their breath. Thus it is, that this kind of work comes to be circulated far and near.

To go to the source [the circulations of such compositions] is entirely owing to the want of energy discovered by the local officials in its prevention. The Yamên has once more written to the Provincial Governments to give the most positive orders to the officers of the districts under their commands to enforce the prohibitions required by the law, and, in accordance with its provisions, to tear down and destroy anonymous placards directly they appear. He has also written to the Governor of Shan-tung to discover the history of this pamphlet's appearance, peremptorily to prohibit its circulation, and to deal with any case as the law concerning anonymous placards requires.

It is further the Prince's duty to reply to Mr. Wade, and to return the pamphlet, &c.

9th year, 9th moon, 16th day (10th October, 1870).

Inclosure 3 in No. 139.

Mr. Wade to the Prince of Kung.

Sir, *Peking, October* 11, 1870.

I HAD the honour to receive yesterday your Imperial Highness' reply to my communication of the 5th instant.

I must be allowed to recall your Imperial Highness' attention to the fact that the pamphlet to which it relates was published at Yao-chow, in Kiang-Si, the province in which, within the last few weeks, two Roman Catholic chapels have been destroyed; also that it has been manifestly compiled since the tolerance of Christianity was declared by the Treaties of England and France ratified in the year 1860.

I renew, &c.

(Signed) THOMAS FRANCIS WADE.

Inclosure 4 in No. 139.

Memorandum on Anti-Missionary Pamphlet in circulation at Che-foo.

THE work is entitled "A True History of Heterodoxy."

1. At the close of the lists of works consulted there is a short preface which closes with an appeal to every right feeling man to rise against a system "which confounds the distinction of kindred and ruins morality."

2. Adults rarely enter the priesthood. It is recruited principally from boys who are castrated, and then become the *mignons* of the priests.

3. On Sundays they throng their churches, young and old, men and women mingling together. The service over they give themselves up to carnality.

* In a bad sense, devilish.

† *Lit.* To brandish writing, and handle ink.

4. A Christian may have but one wife . . . . but the wife dying he may marry again. When the father dies the son may marry the mother; the son dying, his father may marry the son's widow. He may marry his own daughter. Brothers may marry brother's wives or their own uterine sisters . . . . Brothers, kinsmen, or friends, when they meet after a long separation commit sodomy together.

5. [The early Jesuits] Ricci and others, under a pretence of virtuous teaching concealed all sorts of lewd tricks, and under their astronomical knowledge, charms and spells by which many were deceived.

6. In another passage the charge of removing the generative organs of boys and girls as well as hearts and eyes, for medicinal purposes, is repeated with much detail.

7. In another there is a detailed account of the treatment of the bodies of both sexes in infancy so as to prepare them for intercourse against nature.

The above passages are all in the first seven pages. Much of the work is of course devoted to attacks upon the doctrines and history of the Christian religion.

(Signed) THOMAS FRANCIS WADE.

No. 140.

Mr. Wade to Earl Gvanville.—(Received December 18.)

My Lord, *Peking, October* 11, 1870.

BEFORE the receipt of your Lordship's telegram regarding the security of the Northern ports, I had been appealed to through Mr. Medhurst, by Messrs. Jardine, Matheson, and Co., and through Mr. Lay, by Mr. Henderson, Chairman of the Municipal Council of Tien-tsin. Mr. Lay being unable to say more than that I had promised shortly to send him instructions, Mr. Henderson wrote to me himself.

I inclose copies of the correspondence, including my replies to Mr. Medhurst and Mr. Lay, which I trust your Lordship will approve.

It will be seen that both at Shanghae and at Tien-tsin my silence is complained of, especially at the former post, where the correspondence of some of my colleagues had found its way to the newspapers. I can only say that, although aware that my reserve was condemned as unsympathetic, this is the first intimation I have had of the injury it was occasioning to British interests.

There are two questions to which answers appear to have been expected; first, whether the communities at the Northern ports are safe against local violence; secondly, whether the relations of France and China were about to be interrupted. Had I thought the ports in question unsafe and the security of British residents beyond my means, I should undoubtedly have counselled them to withdraw. But this has not been my opinion. I disbelieve in the hostile intentions by some imputed to the Government. In the concentration of troops round Tien-tsin, I see nothing but a movement of purely defensive character. Against the one danger not to be overlooked, an attack by the dangerous classes, the naval force off the Settlement, in my judgment, amply secures it. I ask no one to incur a risk I would not face myself, and I can conscientiously affirm that I should feel as much at ease at Tien-tsin this winter as in Peking, where with many others I am about to remain.

It should not be forgotten that during the last three months, notwithstanding the almost daily announcements of coming mischief, no single prognostication of the kind has been justified, either here or at Tien-tsin.

As to the relations of France and China, I was, of course, still less at liberty to make public any speculations, even had I been referred to, which I was not; and I have now confined myself to indicating the fact that an immediate rupture is against all probability.

I have, &c.

(Signed) THOMAS FRANCIS WADE.

Inclosure 1 in No. 140.

Messrs. Jardine, Matheson, and Co. to Consul Medhurst.

Sir, *Shanghae, September* 9, 1870.

REFERRING to the various statements which have appeared from time to time in the public prints to the effect that certain demands of a serious nature have been made by the French Minister at Peking upon the Chinese Government in consequence of the

recent massacre of foreign residents at Tien-tsin, statements which find confirmation in the despatches, the substance of which has been published in the "North China Daily News," and which have been addressed by their Excellencies the Baron von Rodenbeck and Count de Rochechouart, to the Tsung-li Yamên, we shall feel obliged if you can afford us official information on a subject which is necessarily of great importance to ourselves and to the interests under our charge.

We assume that if Her Britannic Majesty's Chargé d'Affaires at Peking were of opinion that the circumstances of the political situation justified a fear that the interests of Her Britannic Majesty's subjects in China are in any way jeopardized by the course of recent events, some official notification recommending caution in the mercantile and personal relations between British subjects and the Chinese would have appeared, and we are therefore disposed to believe that there is no real cause for anxiety, but in view of the natural alarm and feeling of insecurity which have been excited in all the foreign communities on this coast, as well by the appalling tragedy at Tien-tsin, as by the publication of the despatches referred to, and by the fear openly avowed by the native mercantile classes at this port, that trade with Tien-tsin will be interrupted, we do not hesitate to say that an authoritative expression of confidence on the part of Her Britannic Majesty's Minister at Peking is urgently called for to remove the doubt and hesitation which, by paralyzing trade in several branches, are the occasion of serious loss, which are increased as much by the silence of the British Legation, as by the expression of belief in the gravity of the crisis, contained in the despatches of the French and Belgian Ministers. These despatches incriminate as instigators not only of the massacre of Tien-tsin, but of a hostile feeling against foreigners generally, several native officials holding responsible and important positions; and that such a hostile feeling on the part of certain classes of the native population exists, is made evident by the accounts which reach us from various parts of the country, not the least authentic of these being the statement of Baron Richtofen, that he could not with safety prosecute his mission on behalf of the Chamber of Commerce, in consequence of the menacing attitude of the people.

Under these circumstances, we have the honour to request that you will inform us if you are aware of any difficulties existing between the French, or any other foreign Power, and the Chinese Government, which are likely to, or may possibly terminate in an interruption of diplomatic relations; and if, in your opinion, there is any cause for the exercise of more than ordinary caution in the prosecution of our commercial operations in this country.

We may mention that it has been our custom to leave with our representatives at the northern ports merchandise and specie of an important value for the conduct of business during the winter months now rapidly approaching, and we are earnestly desirous to be assured that there is no cause for anxiety, either as to the personal safety of our agents themselves, or as to the security of the property left under their charge.

We remain, &c.
(Signed) JARDINE, MATHESON, AND Co.

Inclosure 2 in No. 140.

Consul Medhurst to Messrs. Jardine, Matheson, and Co.

Gentlemen, *Shanghae, September* 13, 1870.

I BEG to acknowledge the receipt of your letter dated the 9th instant, inquiring what official information I possess as regards the existing political situation at Peking, and its probable effects upon peaceful relations with China.

I have, like yourselves, been informed by what has appeared in the public prints of the deplorable events that have recently occurred at Tien-tsin, and of the action taken with respect thereto by the representatives for France and Belgium at Peking. But I have no official advices whatever on this subject from Her Britannic Majesty's Chargé d'Affaires.

I gather from this fact that Her Britannic Majesty's Chargé d'Affaires does not contemplate any immediate prejudice to British interests from present complications, but I shall nevertheless place a copy of your communication in his hands without delay, and he will, no doubt, be in a position to afford you the information you desire, or otherwise relieve your anxiety as regards the future.

I am, &c.
(Signed) W. H. MEDHURST.

Inclosure 3 in No. 140.

Mr. Wade to Consul Medhurst.

Sir, *Peking, October* 8, 1870.

I HAVE to acknowledge your despatch of the 13th ultimo giving cover to copies of correspondence with Messrs. Jardine, Matheson and Co. regarding the security of British interests in the northern ports.

In so far as this is dependent on the relations of France and China I believe it to be complete. You will probably have received before this despatch reaches you the inclosed Imperial Decree of the 5th instant, which declares the measure of punishment that the Chinese Government awards to those implicated in the massacre of Tien-tsin. The Chargé d'Affaires of France, he assures me, does not contemplate quitting Peking this winter; the Imperial Commissioner already designated proceeds very shortly upon his apologetic mission to Paris. It is evident, therefore, that no rupture between the two Governments is immediately impending.

As to insecurity from any other causes; at the port of Newchwang, as at most other ports, the first news of the massacre to a certain extent excited the population. The excitement did not endure; but as the country inland of the port has suffered both from drought and from floods, as great destitution is the result, and disorder and brigandage is more or less to be apprehended in the neighbourhood, I have strongly supported an application made some weeks ago by the Acting Consul to the Naval Commander-in-chief for a gun-boat, which should be docked at Newchwang for the winter, reinforced by a small party of marines.

At Tien-tsin there will be stationed of Her Majesty's navy one gun-vessel and one gun-boat; and I must frankly state that were I a resident at Tien-tsin I should consider these vessels a sufficient safeguard against the violence of the dangerous classes, a successfull attack by whom upon the settlement would be a calamity perhaps of even greater magnitude than the massacre of the 21st of June. But there will be besides four gun-boats under the French flag, and, I have good reason to hope, two other vessels of war under different flags.

An additional condition of security will be the presence of the new Governor-General, Li Hung-chang, whom it is the intention of the Imperial Government to leave at Tien-tsin for some months to come. The presence of a man of his known energy and capacity is, in my opinion, a sufficient guarantee that the dangerous classes will be duly controlled.

You will communicate what I have written to Messrs. Jardine, Matheson and Co. I trust that it may tend to reassure them. You will have the goodness further to inform them that my silence, which I am sorry to learn has been attended with results so prejudicial to trade, is in no respect to be attributed to an indifference to the wants or feelings of themselves or of the community in general, and that they do me but simple justice in assuming that, had I conceived British merchants to stand in need of a warning with reference to their relations, commercial or other with the Chinese, I should have given it.

I am, &c.

(Signed) THOMAS FRANCIS WADE.

P.S.—I append, for your information, the copy of a despatch I have addressed to Mr. Lay, acting as Her Majesty's Consul at Tien-tsin.

T. F. W.

Inclosure 4 in No. 140.

Mr. Henderson to Mr. Wade.

Sir, *Tien-tsin, October* 3, 1870.

WE beg leave to write to you at this moment, a moment of peculiar interest and importance to the foreign residents here.

We have been frequently asked for information by all classes of the residents as to what is to be done for the protection of their persons and property here during winter. We have hitherto advised waiting until we thought you had had time to communicate with the Home Government; and believing that now sufficient time has elapsed, and not having heard from you or received any definite information from Her Britannic Majesty's Consul, to whom we wrote, we consider it is necessary to address you on this subject.

We may mention here that in answer to our letter of the 29th ultimo, to Mr. Lay,

he states, " I am not aware what steps have been taken by Her Britannic Majesty's Chargé d'Affaires for the safety of this Settlement and of the residents during the coming winter. I can, however, assure you that the subject of the security of this community is constantly before Mr. Wade's mind, and I have every reason to believe we shall before long hear from Mr. Wade definitely on this matter."

Our reasons for writing you, and asking for information, are both numerous and plain. The state of feeling in the city amongst the class who perpetrated the horrid murders on the 21st of June is much the same to-day as then; for proof of this we beg to refer you to Mr. Holcomb and the statement he made to the missionaries here on his return from the city. And since then, on the night of the 24th ultimo, when several native servants in foreign employ were in the city they were beaten and robbed by braves who called them " slaves of rebels" ("Mao-nu"—the epithet bestowed on Chinese servants in foreign employ since the 21st of June), and who blamed the servants as being the cause of so many of their friends having been arrested. When the servants said they were not in the employ of Frenchmen, the Braves replied they did not care for that, as all foreigners were devils. The Chinese authorities have promised to investigate this case.

Such is said to be the state of the city here, upwards of three months after the massacre; and for all we know, or have heard, not a single individual has been punished up to this date for that horrible crime, and so far as we can learn there is no intention of punishing any one for it; many have been taken up, fined a small sum, and released on payment of the fine. A few are said to be considered guilty, and are at present in prison. The city is under military rule in all its parts. Camps are formed outside of it, and an army, variously estimated at from 20,000 to 80,000 men, is at no great distance from this. While at Taku the forts are fully armed with guns and ammunition, but masked from general observation. While troops, said to be several thousand in number, are within a six hours' march of the forts.

Latest accounts say that a camp is being formed between Tien-tsin and Taku. And it is only a few days since that General Lin was at Taku inspecting the forts. In obedience also to orders, the Kao-liang is being taken out by the roots, instead of by the usual method, cutting it some 6 to 8 inches above ground.

I may also mention, as showing the state of feeling amongst the people that Ting Jih-chang, Tsêng Kwo-fan, and Ch'ung Hou, are in disgrace with the people, who ridicule them by calling them " Sun-tze " (grandsons), and the English and French are called " Ying-tze-tsung" and " Fa-tze-tsung" ("our English and French ancestors"); while Prince Kung himself is commonly called " Kuei-tze Lin-urh " (" No. 6, of the [foreign] devils)."

The demolition of a Christian chapel at Wu-cheng is much talked of amongst the people here. They believe that foreigners have been killed there also. On this account a friendly Chinese warned a foreigner here not to go amongst the Chinese after dark, as the " Hun-ksing-tze " were in high spirits again, and might do mischief.

The squibs against the mandarins do not prove that the mandarins are friendly to foreigners, but only that they have not led the braves against foreigners, as they had expected.

Everything in this quarter, so far as we can see and judge, points, on the part of the Chinese, to war. We can see nothing tending the other way. And if we look to Kiu-kiang, the same war feeling prevails; and still farther tends to confirm our impression that the Chinese do not really desire peace, but would rather prefer a war, for which they evidently consider themselves fully prepared.

If the Chinese are really desirous of peace, why are so many of the most celebrated Generals of the Empire called to Tien-tsin, nominally to settle a diplomatic question. We have here Tsêng Kwo-fan, Li Hung-ch'ang, Ting Jih-chang, another Ting, and Lin, and Chên Kwo-jui, the latter, it is said, returned with Li Kung-ch'ang.

These our reasons are numerous and strong for believing that the Chinese authorities do not desire peace, and they prove that they have done nothing here towards that end. Every act and every word of theirs seems to point the other way.

Our first care here is for the women and children. Some of them, if they leave this, will have to go home. One has three children, for whom it will take some time to prepare for the long voyage home. Others have fewer children, but all are alike anxious to know if they will have to leave; and numerous have been the questions put to us on this point.

The next question refers to trade. Already several merchants here have been informed that any goods remaining unsold at the close of the season must be reshipped to other ports, while others have been informed that owing to the present unsettled state of affairs here, no goods can be sent up for sale here during winter; and in one of the last

Shanghae papers it is stated as a fact that one of the largest firms at Tien-tsin had given instructions to sell off everything there.

Owing to this state of uncertainty the merchants here will be heavy losers, and likely to be the more so the longer silence is continued on your part; and as winter is now fast approaching, it is full time that married people having their wives and children here had every information before them, so that they may decide upon a line of action.

We may mention that it is reported that the steamers are not to run so late or so early in the season as they have done lately.

We shall be glad to hear from you in reply, at the earliest possible moment, what steps you have taken, or are about to take for the protection of the place and property and of the lives of the foreign residents here.

If we may be permitted to express an opinion on the subject of defence, we should say that we consider fully 5,000 men will be required to properly guard the Taku Forts and Tien-tsin during winter.

If a sufficient number of troops are not sent, the foreign residents here will likely feel it their duty to leave; and if they do leave there is little hope of their being able to return until after the retaking of the Taku Forts. We may expect, also, in the present state of feeling amongst the people that as the season draws to a close the Chinese will endeavour to prevent the landing of troops at Taku. Some two months ago it was reported among the Chinese that as soon as the French left, the river would be staked, as before, to prevent the landing of any troops.

The gun-boats here, alone, can be of little service during winter, and however numerous, could afford no protection on board to the foreign residents in case of attack; they are quite small enough for their crews. The Chinese here have said that they will attempt to take the gun-boats during winter, while ice-bound. Let us hope it is but an empty boast.

I am, &c.

(Signed) JAMES HENDERSON, *Chairman,*
Municipal Council.

Inclosure 5 in No. 140.

Mr. Wade to Acting Consul Lay.

Sir, *Peking, October* 8, 1870.

IN my despatch of the 24th of September I informed you that you would shortly hear further from me regarding the protection of the British Settlement at Tien-tsin during the winter. I have this day received a letter from Mr. James Henderson, as Chairman of the Municipal Council of the Settlement upon the same subject.

It does not seem to me essential that I should retraverse, step by step, the ground taken by Mr. Henderson, but I think that he and the community are fairly entitled to an answer to the question,—What guarantee is there against danger to the lives and property of British subjects at Tien-tsin during the winter? The one danger in my opinion to be apprehended is from the dangerous classes who might be induced, were there nothing to deter them, to attempt the pillage of the foreign Settlement. I think that they will be sufficiently deterred by the naval force stationed at Tien-tsin. This will consists of a gun-vessel and gun-boat of our own navy, four gun-boats of the French navy, and probably two other vessels of war under other Flags. Besides this, it is the intention of the Government to keep the new Governor-General, Li Hung-chang, at Tien-tsin until the spring, and the presence of a man of his known energy and capacity would be to me, were I a resident at Tien-tsin, of itself a sufficient guarantee against an invasion of the ill-disposed.

As to the occupation of forts and other precautions suggested, I will frankly state that without at all under estimating the gravity of recent events, and in these I include the fact that nearly four months have elapsed between the massacre of the 21st of June and the award of the Imperial Government which has just be published, I do not consider that the present position of British interests at Tien-tsin is such as to call for an occupation of Chinese territory by the forces, military or naval, of Her Majesty.

As to war, such as Mr. Henderson appears to apprehend, this could not be undertaken without the express authority of the central Government, and it must be war, not with one Power, but with several of the largest Powers of the world. The Representatives of these, it must be remembered, reside in Peking, and it is to be doubted whether any of them will leave the capital this winter. This circumstance, and the fact that an Imperial

Commissioner of the Chinese Government is about to start for Paris, should, I think, avail something towards satisfying the Tien-tsin community that aggressive operations are not contemplated by the Imperial Government.

The aggressiveness of the ill-conditioned class of the Tien-tsin population is a contingency entirely apart, and did I conceive the community insufficiently secured against it, I should not hesitate about the acceptance of any additional responsibility in their behalf.

I am, &c.
(Signed) THOMAS FRANCIS WADE.

No. 141.

Mr. Wade to Earl Granville.—(*Received December* 18.)

My Lord, *Peking, October* 12, 1870.

I HAVE earlier reported that Ting Jih-ch'ang, Futae (Governor) of Kiang Su, had been ordered up to Tien-tsin. He is a singularly energetic Chinese, and the experience he acquired some years ago as Taoutae at Shanghae makes him an official of great value in the transaction of foreign affairs.

His arrival at Tien-tsin was the signal for the commencement of arrests, some of the parties seized being detected by Ting Futae himself.

He has now returned south, with special orders to proceed to the Province of Kiang-si to investigate the missionary difficulties at Woo ch'êng and Foo-chow, which have also been reported to your Lordship.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

No. 142.

Mr. Wade to Earl Granville.—(*Received December* 18.)

My Lord, *Peking, October* 12, 1870.

I HAVE received, second hand, from a Chinese who must be regarded as a very good authority, an account of the Tien-tsin massacre, which is in one or two points worth attention.

The rising, he states, was purely a question of brigandage. The Hun-sing-tzù, an Alsatian fraternity of Tien-tsin, had not for a long time had an opportunity of filling their pockets, and had been meditating the possibility of an attack on the foreign Settlements. The Prefect just condemned to exile arrived in spring. He was anti-foreign, and, without speaking, let these bullies see that he would not stand in their way. Their plans were laid by about the 13th of June, all the authorities being aware of what was coming. Ch'ung Hou was as well informed as the rest, and opposed to the rising; but he dared not speak or move, lest, if no worse, his own yamên should be destroyed.

Chên Kwo-jui was passing through Tien-tsin, and was much pressed by the Hun-sing-tzù to lead them, but would not. On the 21st, however, hearing that M. Fontanier had shot Ch'ung Hou, he mounted his horse and rode for Ch'ung Hou's yamên. There it was that he found himself in the midst of the mob, whom, believing Ch'ung Hou killed, he undoubtedly cheered on.

This last detail is somewhat confirmed by a remark made by Pao ta-jên in one of his many attempts to clear Chên Kwo-jui. He admitted that "some idle words," he feared, had fallen from that person.

If the object was such as this informant states, I doubt much that the first attack would have been made upon the religious establishments and French Consulate. It would be singular, too, that these being thoroughly destroyed before 2 o'clock, the attack should not have been followed up.

What is important is that Ch'ung Hou knew what was going to happen ten days beforehand.

From the position of my informant I am certain that this is a fact; and if Ch'ung Hou was so well informed, it is vain to suppose that the Central Government was left in ignorance.

I confess to feeling more strongly than ever that the story of M. Fontanier's firing on Ch'ung Hou and the magistrate is not deserving of credit.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

No. 143.

Mr. Wade to Earl Granville.—(*Received December* 18.)

My Lord, *Peking, October* 13, 1870.

I HAVE just reeeived a despatch from Mr. Medhurst, copy of which I inclose, giving cover to a letter addressed by Mr. Michie, Chairman of the Shanghae Chamber of Commerce, to your Lordship on the subject of protection.

Though the Chamber is a cosmopolitan body, I am not aware that any Government but our own has been appealed to. The interests of British merchants at Shanghae, however, are of such magnitude, and the value of their property forms so large a proportion of the immense total—some 13,000,000*l.* sterling, at which they estimate all foreign belongings at Shanghae—that it is but natural they should feel anxious to see it secure against such danger as they apprehend.

I think that they have exaggerated to themselves the chances of danger, and that they have misconceived the direction of the hostility of which they enumerate a number of instances. It is true that "within the last two years many outrages have been committed on Europeans;" but of all the attacks they quote there is not one that has not been aimed at a missionary establishment, nor, except at Tien-tsin, has violence been attempted at any point where there is a foreign community residing. The collisions at Foo-chow, which I understand to be those referred to, occurred, one at Sharp Peak Island at the mouth of the Min River, the other at Lo-Yuen, a city some fifty miles from Foo-chow. The first involved the destruction of a sanatorium, which a missionary had begun to build on ground for which the local authorities were, right or wrong, still withholding a title-deed; the second of a chapel belonging to the same missionary.

At Shanghae there is a resident community of between 1,700 and 1,800 foreigners, a community capable of turning out, as the last few months have shown, some 500 volunteers. The settlement is in charge of an excellent foreign police. There are constantly in harbour a large number of merchant-vessels, and the port is very seldom without a man-of-war. Making the fullest allowance for the shock which an event so terrible as the Tien-tsin massacre must have produced, I have been at a loss to explain the abiding consternation which at this particular port seems to have possessed the community.

When Mr. Medhurst wrote to me on the 26th of July he informed me that he had forwarded a copy of his despatch to the Foreign Office. I myself met the Admiral, Sir Henry Kellett, at Tien-tsin, towards the end of that month, and having satisfied myself of the safety of British subjects at all points, I should have awaited instructions before I moved further. Finding, however, that at Shanghae in particular the alarm did not abate, I wrote Sir Henry Kellett the letter of which a copy was inclosed in my despatch of the 29th of September. I did this, not from a conviction that British subjects were in peril at Shanghae or elsewhere, but from a desire that they might be saved from their fears.

I shall not be suspected, therefore, of yielding to fears of my own any more than to a love of the popular force-policy against which I am in the habit of protesting, if I add that I agree with the Chamber as to the necessity of keeping it continually before the Chinese that we are both able and determined to resist aggression. Had there been a gun-boat, English or French, at Tien-tsin on the 21st of June, I doubt greatly that the atrocity of that day, be its motive what it may, would have been perpetrated. I think it useful to the cause of peace that the men-of-war's crews should be occasionally paraded and exercised in the foreign Settlements. Their action can still be carefully limited to the resistance of aggression. No one can be more opposed than myself to Consular wars, but I am satisfied that in a country like this the display of our force, which need not be made with any appearance of menace, is our best safeguard against such incidents as produce international misunderstandings.

I have simply replied to Mr. Medhurst that Mr. Michie's letter will be forwarded to your Lordship. I append a printed copy of it, which has been sent with the original.

Of my last application to the Admiral I have not thought myself free to speak to the Consuls until I shall have received his reply.

I have, &c.

(Signed) THOMAS FRANCIS WADE.

Inclosure 1 in No. 143.

Consul Medhurst to Mr. Wade.

Sir, *Shanghae, October 5, 1870.*

THE accompanying communication has been placed in my hands by the Chamber of Commerce at this port for transmission to the Right Honourable the Earl Granville, K.G., It refers to the correspondence which passed between the Municipal Council and myself on the subject of the degree of assistance to be expected by the community from Her Majesty's hips in case of need, and which have already been submitted to you in my despatch dated the 26th July last.

I inclose, for convenience of reference, two printed copies of the letter.

I am, &c.

(Signed) W. H. MEDHURST.

Inclosure 2 in No. 143.

Mr. Michie to Earl Granville.

Shanghae General Chamber of Commerce,

My Lord, *Shanghae, September 30, 1870.*

I HAVE the honour to call your Lordship's attention to the fact that the English community at Shanghae, as well as at the smaller ports, have been lately under some apprehension for the safety of their lives and property, in consequence of the instructions which are understood to have been issued to the commanders of Her Majesty's vessels of war on this station, and I enclose for your Lordship's information copy of a letter which the Chairman of the Municipal Council has addressed to me on this subject, together with the enclosures therein referred to.

The Municipal Council being the body charged with the preservation of order within the limits of the foreign residences in Shanghae, their representations on this matter are entitled to the greatest consideration.

Ever since the opening of the various ports by the Treaty of Nanking, the security of foreign life and property has been practically, though tacitly, guaranteed by the presence or near proximity of one or more of Her Majesty's vessels of war.

The mass of the people, both at the open ports and in the interior, have always been well-disposed towards foreigners, as indeed they have every reason to be; and the hostile party among the officials, comprising many aspirants and retired officers, has been content to remain inactive, from the conviction that any attack on foreigners would be futile and would bring certain retribution. For various reasons, which it is unnecessary here to recount, this conviction has been rapidly dying out, and within the last two years many outrages have been committed on Europeans. At Yang-chow, several times in the island of Formosa, at Foochow, at Nganking, Tienmên, Woochang, and many other places, attacks on foreign life and property of a more or less serious character have been made, and in June last the foreign communities in China were startled by the news of unparalleled atrocities committed by an officially organized band at Tien-tsin on the persons of nineteen Europeans, French, Belgian, Italian, Russian, and one at least British. There is good reason to believe that the Tien-tsin tragedy is part of a general plan for the expulsion of foreigners from the country, a plan which has been frustrated in other places, Nanking for example, by the defective organisation of the conspirators or the vigour of the responsible authorities.

The apparent failure, therefore, to punish the assassins of Tien-tsin, or even to institute any satisfactory investigation into the affair, has emboldened the anti-foreign party among the officials all over the country, and the unfortunate discovery that Europeans may be pillaged and massacred with impunity, is likely to prompt the energetic enemies of foreigners to continue the course of hostility they have so successfully begun. For the immunity which has attended the well-known criminals at Tien-tsin, only eighty miles from the capital, has likewise demonstrated the impotence of the central Government to control its turbulent subjects, and thus a premium is held out to the worst part of the population to attack foreigners. All the Consular ports in China are thus placed in a critical position, and though Shanghae is in comparatively little danger, owing to the numbers of European residents who are equipped as a volunteer guard, yet the amount of British owned property, both fixed and moveable, in the place is very large, and might offer an irresistible temptation to a powerful band of rowdies.

The value of the property of foreigners in Shanghae, exclusive of shipping, has been estimated at 42,750,000 tails or 12,825,000*l.*,* of which three-quarters is British, and this is probably below the amount to which foreigners are interested. In addition to the loss of actual property, however, incalculable damage would be sustained by any stoppage of the trade.

One ship of war would be sufficient to protect this settlement, and perhaps any of the other ports from Chinese attack; but it appears—and the fact is well known to the Chinese—that the commanders of Her Majesty's vessels are instructed not to land their men at Chinese ports under almost any circumstances, or to take part in preventing or repelling an attack, even though directed against the valuable property in which Her Majesty's subjects, both in China and England, are so largely interested. For though the naval instructions do not absolutely and under all circumstances interdict the commanders of Her Majesty's ships from landing their men or defending property on shore, the interpretation which the officers themselves put upon their instructions is such, that before the circumstances could arise which would justify their interference, half the foreign Settlement of Shanghae might be burnt down and many lives lost. The Chamber of Commerce cannot but think that the instructions in question have been issued under some misapprehension of the circumstances; for though it may be said that the Chinese Government would be held responsible for the value of property wantonly destroyed, it would surely be far preferable to take the simple means which are available of preventing the destruction from taking place, and no compensation would be adequate for the loss of life which would be inevitable in case of an unchecked outbreak or for the damage which the trading interests of Chinese and foreigners would directly and indirectly sustain if such a calamity were permitted.

The Chamber of Commerce, in common with the general body of European residents, are convinced that peace and friendship can be maintained at a very low cost, and without violence or even the necessary show of it. All that is required is to induce the Chinese to return to their conviction that Her Majesty's ships will defend the lives and property of British subjects. The evil disposed among the Chinese would then be restrained by prudential considerations from plotting against foreigners, while the party with whom it is our interest to cultivate friendly relations would be supported and encouraged in pursuing a tolerant and conciliatory policy towards foreigners.

The Chamber of Commerce, looking to the uneasiness which the present state of affairs has naturally produced, respectfully submits these considerations to Her Majesty's Government, and trusts that Her Majesty's Government may see fit so to frame the instructions issued to naval officers in China as to meet the views which the Chamber has ventured to set forth.

I have, &c.
(Signed) A. MICHIE, *Chairman.*

Inclosure 3 in No. 143.

Mr. Dixwell to Mr. Michie.

Sir, *Council Room, Shanghae, July* 29, 1870.

I BEG to inclose you a copy of a letter addressed by me to Her Britannic Majesty's Consul with respect to the degree of countenance and assistance which Her Britannic Majesty's ships of war would extend to the foreign community of Shanghae in case of danger, and also a copy of his reply.

You will perceive that many valuable lives and much property might be sacrificed on the occasion of an attack before the contingency arose which would justify the commanders of Her Majesty's ships of war, in landing men under a strict interpretation of their instructions, whereas a few precautionary measures might ward off and prevent all danger whatsoever. The instructions, in fact, appear to have been framed with a view to small places, and not to have contemplated the case of a community like Shanghae, which is altogether too large to be taken on board the ships in harbour, and yet scarcely numerous enough to be expected to wage war upon its own account against the open or covert attacks of the Empire of China.

As the amount of British property which is liable to be destroyed in Shanghae on such an occasion would be very large, the Chamber of Commerce may think it advisable to address Her Majesty's Government upon the subject.

I am, &c.
(Signed) GEORGE BASIL DIXWELL, *Chairman.*

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* A detailed statement of the estimate is appended.

Inclosure 4 in No. 143.

Mr. Dixwell to Consul Medhurst, July 22, 1870.

[See Inclosure 2 in No. 28.]

Inclosure 5 in No. 143.

Consul Medhurst to Mr. Dixwell, July 23, 1870.

[See Inclosure 3 in No. 28.]

Inclosure 6 in No. 143.

ESTIMATED Value of Real Estate and Property in Shanghae.

	Taels.	Taels.
The assessed value of land and buildings in the English and American Settlements is	11,500,000	
Ditto, ditto, French Concession	1,900,000	
	13,400,000	
Add for under assessment	600,000	
		14,000,000
Imports in foreign godowns, July 31st, 1870, as per Statement of Chamber of Commerce	10,300,000	
Coals, 55,000 tons at 8 taels	450,000	
China, Japan, and Straits' produce		
Wines and liquors	1,000,000	
Lumber and sundries		
Arms and ammunition		
	1,450,000	
		11,750,000
Chinese merchandize for foreign export, to a great extent advanced on by foreigners, viz.:—		
Black tea, 67,000 packages, at 17 taels	1,139,000	
Green tea, 24,000 packages, at 18 taels	432,000	
Silk, 6,000 bales, at 400 taels	2,400,000	
	3,971,000 say	4,000,000
Bullion in foreign treasuries		6,000,000
Household and personal effects—		
1,000 foreigners, at 3,000 taels	3,000,000	
1,000 „ at 1,000 taels	1,000,000	
		4,000,000
Stock of goods in foreign shops—		
8 General and drapery stores	800,000	
5 Chemists	100,000	
Watchmakers, &c.	100,000	
		1,000,000
Opium afloat—		
3,200 chests Malwa, at 500 taels	1,600,000	
1,000 chests Patna, at 400 taels	400,000	
		2,000,000
Total		42,750,000

At 6*s.* exchange, equal to 12,825,000*l.*

No. 144.

Mr. Wade to Earl Granville.—(Received December 18.)

(Extract.) *Peking, October* 15, 1870.

THIS despatch is to report the action taken by me on the receipt of the telegram of the 26th September, regarding the security of the Northern ports. It reached this on the 9th instant.

I must state first, that after receiving the reply of the Prince of Kung to the collective note of the 24th of September, I paid the Minister Paoyün a short visit at the Yamên, and I told him very emphatically that the Prince's answer had dissatisfied us all. For myself, I could not but think that we had been trifled with, and should British subjects be anywhere molested my own course was clear. I should call upon the Government to do

justice within a given time. Should the term expire without prospect of satisfaction, I should leave Peking, and refer the matter to Her Majesty's Government.

The decree condemning fifteen Chinese to death as guilty of the murders of the 21st of June was communicated to us all on the 5th instant.

On the 7th I replied very curtly to the Prince's despatch. M. de Rochechouart did not acknowledge it at all.

On the 9th, as I have stated, I received your Lordship's telegram; and on the 10th I wrote to the Prince that, having received instructions which it was my duty to communicate to him, I wished for an interview.

Meanwhile the Yamên had become alarmed at M. de Rochechouart's silence, and on the 10th Ch'ung Hou had come to him for information. M. de Rochechouart insisting much on the expediency of publishing another decree that should be more explicit than the last: on the necessity also of a promise that the Governor-General should not leave Tien-tsin this winter: Ch'ung Hou recommended him to apply to Pao-ta-jên, certainly the most influential Minister in the Yamên, and, as member of the Council, probably the author of the Decree in question.

M. de Rochechouart sent his interpreter, M. Devéria, to the Yamên, where, Pao-tajên being absent, he saw the three Ministers, Tung, Shen and Mao. I was at the French Legation when he returned, and it was plain that he had been very ill received. Neither form nor substance of the Decree was open to criticism. The Governor-General Li's detention at Tien-tsin, though alluded to, had not been promised officially.

It was not yet known at the Yamên that I had written to the Prince, but on the following day, the 11th, I got a note saying that his Highness would receive me on the 12th at 1 o'clock, and at 7 o'clock on the morning of the 12th Ch'ung Hou had come without attendants to M. Devéria to know what it was that I was about to require. M. Devéria, not knowing, was unable to tell him. On this Ch'ung Hou became very apologetic and communicative.

My note had said that I assumed your Lordship had received my despatches announcing particulars of the Tien-tsin massacre up to at least the middle of July. This would include my report of the death of Sister Louise.

Ch'ung Hou said that the Ministers at the Yamên had not been aware of Pao-tajên's opinion when they saw M. Devéria on the 10th. If M. de Rochechouart and Mr. Wade really set store by a strong notification it could perhaps be issued. The indemnities would all be paid at the liberal rate already fixed without inquiry into details. The Governor-General Li would remain the winter at Tien-tsin.

Of all this M. de Rochechouart came to inform me shortly before I went to the Yamên.

The Prince, to whom Pao-tajên had of course repeated my remarks of the 2nd instant, was evidently disturbed and displeased. After the usual compliments, I placed in his hands a translation of the first passages of the telegram.

The Memorandum inclosed, a translation of which has been sent to his Highness, gives a summary of what followed. The subject of our conversation was far from acceptable, and both the Prince and Ministers tried to keep up a fire of words that would prevent me speaking. I was pertinacious, however, and declined the usual refreshment until I had said what I had to say. This was in substance that I should not hesitate to pronounce Tien-tsin safe, but must inform Her Majesty's Government that the security of Newchwang was open to question.

I believe that the presence of the gun-boat will make Newchwang perfectly safe; but even were it quite certain that a gun-boat will be stationed there, I think it desirable that the Chinese should be stimulated to the employment of their own means to the end.

The room being cleared, I delivered myself of the observations summarized in the latter part of my Memorandum, to which I should add that I dwelt severely upon the manifest fear of the Government to publish the Decree sending Ch'ung Hou to Europe, also the later Decree sentencing five men, in addition to the first fifteen, to death. Neither has appeared in the "Gazette."

Inclosure in No. 144.

Memorandum of Mr. Wade's Conversation with Prince Kung on Protection for Tien-tsin in Winter.

Peking, October 12, 1870.

MR. WADE waited on the Prince of Kung this afternoon to acquaint His Highness that Her Majesty's Government having learned the particulars of the Tien-tsin massacre,

he had received instructions to urge on the Chinese Government, if they wish to avoid a serious difference with England, the absolute necessity of providing adequate protection for British subjects and property at Tien-tsin and Newchwang during the approaching winter; and to state that if in his opinion the protection promised were insufficient, he was to consult the Naval Commander-in-chief, and, failing other measures, of securing the proposed object, to take steps for the removal of British subjects to a place of safety, the Chinese Government being held responsible for damage done to any property that might be left behind. Mr. Wade was to report upon this question without delay.

The Prince stated that, by an Imperial Decree issued this morning, the Grand Secretary Li Hung-chang, newly-appointed Governor-General of Chih-li, had been directed to remain at Tein-tsin for the present.

Mr. Wade inquired if his Excellancy would remain there the whole winter. The Prince said that he would not leave Tien-tsin until the Emperor desired him, but His Highness added that there was a further measure in contemplation, of which the Yamên was not free to speak until it had been sanctioned. His Highness also promised that a very strong proclamation should be issued by the Provincial Governments, referring to the Tien-tsin massacre, announcing the departure of the Minister Ch'ung Hou for Europe, and requiring both authorities and people to be careful in observing the Treaty stipulations affecting tolerance of Christianity, and the rights of foreigners in general.

At Newchwang Mr. Wade represented that, although neither the military nor the people were hostile to foreigners, they were not on good terms with each other, and that their officers had not the troops in hand; further, that by reason of this year's drought and flood there was much distress inland, and consequent brigandage; also that Taoutae was about to be relieved by an officer new to the post and new to foreign affairs.

The Prince stated that the Superintendent of Northern trade would write to Newchwang; that the new Taotai was a very competent officer; that the Yamên would also write to the Military Governor of Manchuria.

Mr. Wade did not feel by any means sure that these measures would suffice. He must wait, therefore, for the Report of the Commander of the gun-boat which he had requested might be sent to Newchwang.

Passing to the general question, Mr. Wade insisted much upon the importance of the observance of the Treaties being enforced by the spontaneous action of the Chinese Government, and the danger to peace of its remaining inactive until demands were presented by foreign Governments. Great alarm had been created not only at Tien-tsin but at other places at which foreign communities reside, first by the massacre of the 21st of June, and then by the extreme slowness of the Government in dealing with it. He had been appealed to within the last few days by the Tien-tsin community to send for troops from India for their protection. The suddenness of the outrage, as much as its atrocious character, would alone have shaken the confidence of foreigners of all classes in the ability of the Government to protect them; and this was yet more disturbed by the tone of the Decrees and correspondence connected with it. The impression produced by these has been that, although His Highness and the Ministers of the Yamên would much regret a rupture with foreign nations, they have not ventured boldly to declare to the Empire that foreign Powers are the equals of China, and that the Treaties are engagements with Sovereigns the equals of the Emperor. In a late conversation the Prince observed to Mr. Wade that His Highness and the Ministers were constantly abused on account of their relations with foreigners. Nothing could more plainly establish the falsity of the position of foreign Ministers at Peking. The people, educated and uneducated, in their ignorance despise and detest foreign nations as devils and savages; hence they abuse their own superiors for their intercourse with foreign Representatives—and such a state of things must continue until the Ministers of the Chinese Government make an effort to enlighten them. This they have not yet attempted. On the contrary, although in their immediate intercourse with foreign Ministers there is no discourtesy to complain of, their real estimate of the foreign Minister is shown by the manner in which they speak of him when addressing their own Sovereign. Mr. Wade quoted expressions employed in documents that had fallen into his hands, in which foreign Ministers and their Governments are spoken of as if they were not only the subjects of the Emperor of China, but the subordinates of the Chinese Minister addressing His Majesty.

Mr. Wade understood the Prince of Kung to promise that this should be rectified.

(Signed) THOMAS FRANCIS WADE.

No. 145.

Mr. Wade to Earl Granville.—(*Received December* 18.)

My Lord, *Peking, October* 15, 1870.

SHORTLY after my return from the Yamên on the evening of the 12th instant, I received from the Prince of Kung a despatch of which I inclose translation.

It communicates a Decree which the Prince had told me had been issued that morning, and which will keep the Governor-General, Li Hung-chang, at Tien-tsin till next spring.

I forward copy of my reply, impressing upon His Highness the necessity of providing with equal care for the safety of Newchwang.

I have, &c.

(Signed) THOMAS FRANCIS WADE.

Inclosure 1 in No. 145.

The Prince of Kung to Mr. Wade.

(Translation.)

UPON the 18th of the 9th moon of the 9th year of Tung Chih (October 12th), the Prince had the honour to receive the following Imperial Decree:—

"We command Li Hung-chang to remain at Tien-tsin, and not to hurry back to the provincial capital. He is to devote himself to the preparation of measures that will surely serve to keep [the unruly in] order and to reassure [the well disposed]; and when all questions between native and foreigner at Tien-tsin shall have been definitively settled, he is to pray our further pleasure."

A necessary communication, &c.

Tung Chih, 9th year, 9th moon, 18th day (October 12, 1870).

Inclosure 2 in No. 145.

Mr. Wade to the Prince of Kung.

Sir, *Peking, October* 13, 1870.

ON my return from the Yamên yesterday, I had the honour to receive your Imperial Highness's despatch communicating the Imperial Decree spoken of at our interview, in which the Grand Secretary, Li Hung-chang, is commanded until further orders to remain at Tien-tsin for the maintenance of order and the reassurance of the well-disposed.

The presence at Tien-tsin of a Governor-General of the known energy and capacity of the Grand Secretary Li will be a source of satisfaction to Her Majesty's Government, to whom I shall have much pleasure in representing that, in my opinion, it ensures the tranquillity of Tien-tsin during the approaching winter.

After what has happened, however, your Imperial Highness must not be astonished if Her Majesty's Government should still continue anxious regarding the security of British residents at this port for the time to come.

Your Imperial Highness gave me to understand yesterday that some measure designed to insure this important object was under the consideration of the Chinese Government, and I shall be obliged by the earliest intimation on the subject it may please your Imperial Highness to make.

At the port of Newchwang, as I stated yesterday, there is cause for alarm on different grounds. Neither the garrison nor the people have shown ill-will to foreigners, but they disagree with each other, and collision between them may in consequence be looked for. In addition to this the country people are suffering from the failure of their crops, and brigandage is commencing. If the port town were attacked, the foreign Settlement would necessarily be more or less in danger, and it is a question whether the garrison, which is said to be very insubordinate, would prove an adequate protection to either native or foreign community.

The Taoutae, moreover, is about to be relieved, and his successor is new to foreigners and foreign affairs.

I had the honour to mention this when your Imperial Highness called at this Legation on the 27th of the 8th moon (September 22nd), and I repeated it yesterday, Her Majesty's Government has also been informed of it, and will be pleased if the steps

your Imperial Highness may be enabled to take were to avert the necessity of otherwise providing for the safety of British residents at Newchwang.

I renew, &c.
(Signed) THOMAS FRANCIS WADE.

No. 146.

Mr. Wade to Earl Granville.—(Received December 18.)

My Lord, *Peking, October* 15, 1870.

I INCLOSE a copy of a despatch from Mr. Lay regarding the execntion of the criminals condemned for their share in the massacre of Tien-tsin.

The authorities, it seems, made a last push to avoid inflicting the punishment at the scene of the crime.

I inclose a copy of my reply to Mr. Lay, and I hope that your Lordship will confirm my approval of the conduct of Mr. Lay and Mr. Frater.

I had given Mr. Lay a week's leave to Che-foo.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure 1 in No. 146.

Acting Consul Lay to Mr. Wade.

Sir, *Tien-tsin, October* 13, 1870.

MR. FRATER reported to me on my return from Che-foo that the Prefect had called on him on the 10th instant, and told him that he had been sent by the Governor-General to ask Mr. Lay whether there would be any objection to the execution of the criminals now under sentence of death for the murders of the 21st of June taking place at a distance from Tien-tsin. The Prefect added, that the heads might be brought back here, and all excitement among the people thus prevented. Mr. Frater told him that as he was not French Consul he could not give him an answer, but gave his opinion as a private individual, that if the executions were not to take place in Tien-tsin they might as well not take place at all.

The Prefect called on me to-day, and stated it had been settled that the criminals should suffer the penalty of the law in the western suburbs on the day after to-morrow, and that he had been sent to inquire whether I would be present personally or by deputy on the occasion. I replied by begging the Prefect to present my compliments to Tsêng-Kwo-fan and the Governor-General, by whom he had been sent, and inform them that I would ask your instructions on the point, and that on this account they had better put off the execution for a few days.

It is, of course, in my capacity as Acting French Consul that my presence at the execution is desirable; but as I am merely intrusted with the charge of purely commercial matters, and do not wish unauthorizedly to deal in political affairs, I have the honour to request your instructions, and to beg that you will bring the subject to the notice of M. Rochechouart.

I have, &c.
(Signed) W. H. LAY.

Inclosure 2 in No. 146.

Mr. Wade to Acting Consul Lay.

Sir, *Peking, October* 15, 1870.

I AM in receipt of your despatch of the 13th instant.

I approve of Mr. Frater's reply to the Prefect. It is very important that the executions should take place at Tien-tsin.

I entirely approve also of the caution with which you yourself have acted. M. de Rochechouart assures me that on like occasions no French officer attends at the proceedings. For testimony's sake a corporal and four men will be sent. I think you will do well to remind the Prefect, without stating the rank of the official whom the

French may send, that as he has spoken of the possibility of popular excitement it behoves him to see that order is preserved. The affair, you will say, more immediately regards the French, but the insult or molestation of any foreign authority deputed to witness the executions could not fail to be ill received by all alike. Should you not be satisfied with the Prefect's assurances, apply to the Governor-General.

If Mr. Featherstone speaks any Chinese, it would be well that you should offer his services to the French as Interpreter.

I think it desirable that persons not concerned should keep away. It is not a subject on which to issue a formal notice, but you can let your opinion be known to the British community as occasion offers.

You will, of course, let me have a report of what takes place.

I am, &c.
(Signed) THOMAS FRANCIS WADE.

No. 147.

Mr. Wade to Earl Granville.—(Received December 18.)

My Lord, *Peking, October* 15, 1870.

IN continuance of my despatches of the 11th and 12th instant upon the protection of British subjects, I have the honour to inclose a copy of the instructions issued to Commander Tracey, the Senior Naval Officer at Tien-tsin, which at my request he has forwarded me.

I inclose a copy of my reply to Commander Tracey, which I trust may meet with your Lordship's approval.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure 1 in No. 147.

Orders issued by Vice-Admiral Sir H. Kellett.

Memo. *"Ocean," at Nagasaki, September* 14, 1870.

YOU are to take the "Grasshopper" gun-boat under your orders, and make preparations for wintering at Tien-tsin.

Demands are to be sent to "Barrosa" for a sufficient supply of provisions, lights, &c., to last until the navigation of the river shall be reopened. You are also to demand warm clothing, tobacco, and soap, as may be necessary, and public money to meet contingencies.

Such number of stoves and necessary piping as may be absolutely necessary will be supplied on application to the senior officer at Shanghae.

Matting and bamboo for protecting the upper deck from snow can be hired for the winter at a small expense.

Your duties will be to protect life and property; and to this end you will repel any aggressive action by every means in your power. You will impress, however, on the officers and men under your command the necessity of avoiding any act which would lead to a misunderstanding with the native authorities, or to a collision with the populace.

You will keep yourself in constant communication with Her Majesty's Minister at Peking, from whom, and from Her Majesty's Consul at Tien-tsin, you will receive information as to the condition of local affairs.

I rely on your maintaining a vigilant guard in both ships night and day, and on your being prepared at a moment's notice for resisting any attack which might be made upon you or upon those under your protection.

I need not remind you that I shall expect to hear from you, both publicly and less formally, as frequently as possible.

(Signed) HENRY KELLETT,
Vice-Admiral and Commander-in-chief.

Commander Tracey,
Her Majesty's ship "Avon,"
Senior Officer at Tien-tsin.

Inclosure 2 in No. 147.

Mr. Wade to Commander Tracey.

Sir, *Peking, October* 15, 1870.

I AM obliged to you for the copy of your instructions from the Commander-in-chief inclosed in your letter of the 13th instant.

I am aware of the stringency of the General Order affecting the action of Her Majesty's vessels in these seas, but, looking to the very great difficulty of reassuring the community after an event so startling as the massacre of Tien-tsin, I have written to Sir H. Kellett so far to relax these as to enable Commanders of Her Majesty's ships to land guns and men in the British Settlement at Tien-tsin, and, if need be, on occasion to patrol the approaches.

Since I wrote to his Excellency I have received a letter upon the insecurity of the Settlement from the Chairman of the Municipal Council, who may be held to represent the community, and I should be glad if some immediate steps could be taken that would remove the impression that our men-of-war can do no more than receive fugitives. As the water level is now daily becoming lower, I presume that some apparatus will be needed to facilitate the landing of guns in case of necessity. It is possible that arrangements are already made to this end; if not, I would suggest that they should be at once commenced; also, that from time to time the guns should be run ashore and reshipped, and the crews landed and exercised.

You will not, I trust, assume that I have the smallest pretension to dictate to you in what manner any part of your professional duties should be performed, or that I desire to press you to take any step that your instructions may not warrant. But the position of Tien-tsin is for the moment exceptional. I do not myself believe that the community will be in any danger this winter, but their apprehensions, after late events, are to a certain extent reasonable, and, whether reasonable or not, must if possible be allayed.

Relying on your careful abstinence from any act that may be construed by the Chinese as indicating an aggressive intention, I should be glad that you were enabled to go the length I have proposed, and I am perfectly prepared to accept the responsibility.

The British concession, as it is called, is a leasehold of the British Government, and I should be glad that all movements of the kind I have described were confined to its limits.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

No. 148.

Mr. Moran to Earl Granville.—(*Received December* 20.)

My Lord, *Legation of the United States, London, December* 7, 1870.

I HAVE been instructed to acquaint your Lordship that information has reached the Department of State of the United States, through the Legation of the United States at Peking, that upon the 1st of September last Sir Henry Kellett, K.C.B., of Her Majesty's Navy, upon the application of Mr. Holmes, the Vice-Consul of the United States at Che-foo, kindly placed Her Majesty's steamers "Barrosa" and "Grasshopper" at the disposal of the American residents at Tung-chau, and conveyed them to Che-foo, to which city they resorted as a place of refuge against apprehended violence on the part of the Chinese at Tung Chau.

Although it turned out that the apprehensions entertained were groundless, that circumstance does not detract from the friendly and meritorious conduct of Sir Henry Kellett; and the President desires that an expression should be conveyed to him, through the proper channels, of the grateful appreciation of that conduct by the Government of the United States.

I have therefore much pleasure in bringing the above-mentioned friendly action, and the President's recognition thereof, by direction, to your Lordship's notice; and I have most respectfully to request that you will be pleased to cause the purport of this note to be made known to Sir Henry Kellett.

I have, &c.
(Signed) BENJAMIN MORAN.

No. 149.

The Shanghae Chamber of Commerce to Earl Granville, September 30, 1870.

[See Inclosure 2 in No. 143.]

No. 150.

Sir F. Rogers to Mr. Hammond.—(Received December 23.)

Sir, *Downing Street, December* 22, 1870.

I AM directed by the Secretary of State for the Colonies to transmit to you for the information of the Secretary of State for Foreign Affairs copies of correspondence between Her Majesty's Consul at Canton and the Government of Hong Kong in reference to the uneasy feeling existing amongst the European community of Canton in consequence of the recent massacres at Tien-tsin.

I am, &c.
(Signed) FREDERICK ROGERS.

Inclosure 1 in No. 150.

Consul Robertson to Mr. Gardiner.

Sir, *Canton, October* 6, 1870.

SINCE the lamentable occurrence at Tien-tsin on the 21st of June last, I have seen no reason to believe that the ill feeling which prompted that affair would extend to Canton. I did not, therefore, deem it necessary to communicate with his Excellency the Lieutenant-Governor upon the subject, although from the immediate and close connection that exists between the Colony of Hong Kong and these provinces and city, owing to the large population which surges between them and other causes, I have been fully alive to the importance of keeping his Excellency *en rapport* with matters of any consequence occurring here. The time for this having, in my opinion, arrived, I have the honour to inclose copies of a letter I received yesterday from some of the principal British merchants, and my reply, for the information of his Excellency.

I confess I do not share in the alarm expressed in this communication, for I have seen and can learn nothing definite regarding the rumours which have influenced the writers to address me. That there is a strong and inimical feeling against missionaries and their labours there can be no doubt, indeed it was evidenced lately by the destruction of a newly erected chapel at Fatshan, a town some fifteen miles distant from Canton, but that it extends to the mercantile community, I do not believe. My own impression is, that in a vast population like that here, there is necessarily a rowdy element ready for any mischief, and it is with that these evil rumours originate and get spread abroad. My relations with the high Chinese authorities are friendly in the extreme, and I am assured by them that all necessary precautions will be and are taken for the protection of foreigners and their property.

Nevertheless, experience of Chinese Governmental action does not lead me to rely implicitly upon it, however good the intention may be, nor is it safe to ignore, as idle and unmeaning reports in general circulation. My own view of the matter, and I have impressed it strongly upon the British community, is to make no unnecessary display of alarm, but to go on as if nothing out of the usual course of events was occurring. It is difficult, however, to get people to follow such advice when they imagine, rightly or wrongly, they are surrounded with dangers; hence, I presume, the letter of the 3rd instant.

I do no more at present than bring the existing situation to the knowledge of his Excellency the Lieutenant-Governor, deeming it my duty to do so for the considerations above mentioned, and in view of the influence any turbulent rising of the population at Canton may have on that of Hong Kong, and the possibility of my requiring support; but I hope and expect we shall tide over the present crisis without difficulty; should, however, matters assume, contrary to my expectation, a more serious aspect, I shall at once communicate it to his Excellency.

I have, &c.
(Signed) D. B. ROBERTSON.

Inclosure 2 in No. 150.

Messrs. Coare, Gifford, and others to Consul Robertson.

Sir, *Canton, October* 3, 1870.

WE, the undersigned members of the foreign community resident in Canton, would request your earnest attention to the precarious position in which our lives and property are placed at the present moment.

We cannot conceal from ourselves the growing animosity towards foreigners, which since the atrocious outrages at Tien-tsin is daily manifesting itself in an increasing degree.

To show that our apprehensions are not ill-founded, we need only refer to the late outbreak at Fatshan, followed by over-acts of menace and assault in and areund Canton, the daily petty insults to which we have to submit in the city and neighbourhood, and even the ill-concealed change which in some cases appear in the demeanour of our own servants.

Those among the community most qualified by long residence and close intimacy with native manners and language, observe that the people are daily assuming a more insulting and defiant attitude towards foreigners. So firmly has this impressed itself on the minds of some that they are already making preparations for the removal of their families to a safer locality.

In view of this state of affairs we would respectfully ask you what steps you have taken or are proposing to take in order to render our lives and property secure until Her Majesty's Government, with the other European powers concerned, shall have concluded such arrangements with China as will restore confidence to the minds of your Petitioners.

With this hope we trust that you will give the matter that earnest attention which the urgency of the case demands.

We are, &c.

(Signed) F. W. COARE.
P. GIFFORD.
G. M. SMITH.
A. M. GEPP.
T. MERCER.
W. GIBSON.
J. POPE.
E. L. H. CRACE.

Inclosure 3 in No. 150.

Consul Robertson to Messrs. Coare, Gifford, and others.

Gentlemen, *Canton, October* 5, 1870.

I HAVE to acknowledge the receipt of your letter of the 3rd instant, calling my attention to the unsatisfactory state of affairs at this port as regards the safety of yourselves and your property, owing to the growing animosity towards foreigners on the part of the Chinese population, and requesting me to state what steps I have taken, or am preparing to take, in order to render your lives and property secure until Her Majesty's Government, with the other European Powers concerned, shall conclude such arrangements with China as will restore confidence to your minds.

I fully understand and appreciate the motives which induce you to address me, but I must observe I consider the fears you express from your safety are somewhat groundless. The information I have received leads me to believe that no overt act of hostility is intended by the Chinese, but after the occurrences at Tien-tsin and lately at Fatshan, there is consequently a great deal of talk and many rumours afloat of an objectionable nature. You are aware that I daily traverse the busiest parts of the city, and if any hostile demonstration was shown I should see it, but I confess I have met with nothing of the kind, notwithstanding the streets are unusually crowded, owing to the public examinations now going on.

I may mention, however, I have been in communication with the Chinese authorities regarding the protection that could be afforded in the event of a disturbance occurring, and have been assured by them they do not anticipate anything of the kind, and are prepared to keep order among the people. Indeed, it was only this afternoon, previous to the receipt of your letter, I was in conference on the subject, and urged the immediate issue of a proclamation, which was promised.

My own view is, and has always been, that the less notice taken of these reports, and the less action taken with reference to them, the better; for if the Chinese think we are getting nervous it will be an inducement to them, either in a spirit of mischief or perhaps worse, to rush into that state of turbulence which is to be avoided. I will, however, take your communication into my best and most serious consideration, and you may rest assured that nothing will be wanting on my part to afford the security in my power; at the same time, on yours, I think it would be well not to give heed too much, or apparently so at least, to the rumours which Chinese are ever ready to circulate, no matter on what subject.

I am, &c.
(Signed) D. B. ROBERTSON.

Inclosure 4 in No. 150.

Mr. Austin to Consul Robertson.

Colonial Secretary's Office, Hong Kong,
Sir, *October* 10, 1870.

I HAVE the honour to acknowledge the receipt of your despatch of the 6th of October, drawing the attention of the Lieutenant-Governor to the uneasy feeling which has been generated amongst the European community of Canton by the lamentable occurrence at Tien-tsin, and giving expression to your own opinions in the matter.

In reply I am directed by his Excellency to observe that as far as he has had an opportunity of judging of the state of affairs, he is inclined to concur in your views as well in respect to the inimical feeling existing against Missionaries, as to the absence of any evidences of hostility towards the mercantile community.

At the same time it would not be right, as you very justly remark, either to ignore altogether all reports in respect to them as idle and unmeaning, or to place implicit reliance on the ability of the Chinese authorities to give full protection to the European community under any emergency which might arise. And, as under such circumstances you will be naturally desirous of allaying disquietude amongst the Europeans without giving rise by evident precautions to dangerous impressions amongst the Chinese, I hasten to give you an assurance that the prompt and cordial support of this Government will not be wanting in any real or threatened exigency.

I have, &c.
(Signed) J. GARDINER AUSTIN.

No. 151.

Earl Granville to Mr. Wade.

Sir, *Foreign Office, December* 27, 1870.

I HAVE received your despatch of the 8th of October, inclosing a copy of a Memorandum by Mr. Adkins of a conversation he had held with Li Hung-ch'ang, Governor of Chih-li as well as a copy of Mr. Lay's report of his visit to that officer; and I have to instruct you to acquaint Mr. Adkins that Her Majesty's Government approve the language he held to Li Hung-ch'ang on the occasion in question.

I am, &c.
(Signed) GRANVILLE.

No. 152.

Earl Granville to Mr. Wade.

Sir, *Foreign Office, December* 27, 1870.

I HAVE received your despatch of the 11th of October, and I have to acquain. you in reply, that Her Majesty Government approve the steps you took as reported therein, in regard to the publication at Che-foo of a pamphlet against Christianity.

I am, &c.
(Signed) GRANVILLE.

No. 153.

Earl Granville to Mr. Wade.

Sir, *Foreign Office, December* 27, 1870.

I HAVE received your despatch of the 11th of October, inclosing copies of correspondence with Messrs. Medhurst and Lay in regard to the appeals made to them by Messrs. Matheson, Jardine, and Co., and by the Municipal Council of Tien-tsin, with reference to the protection of British property at that port, and I have to acquaint you in reply that Her Majesty's Government approve your answers on the subject. I have to add that Her Majesty's Government fully rely upon your judgment and discretion for taking the necessary steps for the protection of British subjects if any unforeseen change should arise in the present state of affairs in China.

I am, &c.
(Signed) GRANVILLE.

No. 154.

Earl Granville to Mr. Wade.

Sir, *Foreign Office, December* 27, 1870.

I HAVE received your despatch of the 15th of October, reporting your conversation with Prince Kung on the subject of the protection to be afforded by the Chinese Government to British subjects and property at Tien-tsin and Newchwang; and I have to acquaint you, in reply, that Her Majesty's Government approve the language you held on the occasion in question.

I am, &c.
(Signed) GRANVILLE.

No. 155.

Earl Granville to Mr. Wade.

Sir, *Foreign Office, December* 27, 1870.

I HAVE received your despatch of the 15th of October inclosing a copy of a note you had received from Prince Kung, communicating to you a Decree which had been issued by the Chinese Government, ordering the Governor-General Li Hung-ch'ang to remain at Tien-tsin; and I have to acquaint you that Her Majesty's Government approve the note you addressed to Prince Kung in reply, a copy of which is also inclosed in your above-mentioned despatch.

I am, &c.
(Signed) GRANVILLE.

No. 156.

Earl Granville to Mr. Wade.

Sir, *Foreign Office, December* 27, 1870.

I HAVE received your despatch of the 15th of October, inclosing copies of your correspondence with Mr. Lay respecting the execution of the criminals condemned for their share in the massacre at Tien-tsin; and, in reply, I have to acquaint you that Her Majesty's Government concur in your approval of the conduct of Messrs Lay and Frater in the matter.

I am, &c.
(Signed) GRANVILLE.

No. 157.

Mr. Hammond to the Chairman of the Shanghae Chamber of Commerce.

Sir, *Foreign Office, December* 28, 1870.

IN reply to your letter of the 30th of September, I am directed by Earl Granville to state to you that the instructions as to the course to be observed by British naval officers in China, for the protection of British interests, have been misapprehended.

The general purport of those instructions was that Her Majesty's naval forces are only actively to be employed in China for the protection of British life and property, when actually imperilled by acts directed against them by Chinese authorities, or by the violence of the Chinese populace, which those authorities might be unable or unwilling to control; and although it is not expressly stated, yet it is clearly to be inferred from the tenor of the instructions that it would be consistent with their spirit and with the policy of Her Majesty's Government, that the Senior Naval Officer on the spot, if satisfied that an attack on the British Settlement at any of the ports, and especially at Shanghae was imminent, should disembark and maintain on shore, till the danger was passed, a body of marines, which, however, it would be desirable, if possible, to relieve daily or frequently from the ships.

I am to add, that it appears from despatches received from Mr. Wade, that he had arranged with Vice-Admiral Sir H. Kellett, on the 25th of September last, for marines to be landed from Her Majesty's ships, should occasion require it, in accordance with these views of Her Majesty's Government. The Admiral will dispose the force under his orders in the manner best calculated, in his judgment, to afford adequate protection at the several ports; and if the reinforcement of marines which has been sent to him should not be considered by him sufficient, he is authorized, in concert with Mr. Wade, to apply to the commanding officers of Her Majesty's forces at Hong Kong and in Japan for a detachment of troops.

Her Majesty's Government, however, cannot too earnestly caution all Her Majesty's subjects in China, and more especially those connected with religious societies, scrupulously to abstain at this period of excitement from any proceedings which may be calculated to bring them into collision with the Chinese authorities or people, or to encourage them, by the manifestation of suspicion or alarm, to overt acts of disorder and violence. Her Majesty's subjects may be assured of the interest taken by their Government in the security of their persons and their property; but, on the other hand, Her Majesty's Government feel that they may require of British subjects to refrain from any proceedings likely to be misunderstood by the Chinese, and so imperil both.

I am, &c.
(Signed) E. HAMMOND.

No. 158.

Earl Granville to Mr. Wade.

Sir, *Foreign Office, December* 28, 1870.

I TRANSMIT to you herewith, for your information, a copy of the reply* which I have caused to be returned to the letter from the Shanghae Chamber of Commerce inclosed in your despatch of the 13th of October.

You will see that the explanation of the views of Her Majesty's Government with regard to the protection of British interests in China by Her Majesty's naval forces is the same as that conveyed in the letter from this Department to the Admiralty of the 6th of October, of which a copy was forwarded to you in my despatch of that day's date.

I am, &c.
(Signed) GRANVILLE.

No. 159.

Earl Granville to Consul Medhurst.

Sir, *Foreign Office, December* 28, 1870.

WITH reference to your despatch of the 27th of July, I inclose, for your information and guidance, a copy of a letter which I have caused to be addressed to the Shanghae

* No. 157.

Chamber of Commerce respecting the protection of British interests by Her Majesty's naval forces.*

I am, &c.
(Signed) GRANVILLE.

No. 160.

Mr. Hammond to the Secretary to the Admiralty.

Sir, *Foreign Office, December* 28, 1870.

I AM directed by Earl Granville to transmit to you, to be laid before the Lords Commissioners of the Admiralty, the accompanying copy of a letter which I have addressed to the Shanghae Chamber of Commerce,* explaining the views entertained by Her Majesty's Government respecting the protection of British interests in China by Her Majesty's naval forces, in accordance with my letter to you of the 6th of October.

I am, &c.
(Signed) E. HAMMOND.

No. 161.

Mr. Hammond to the Secretary to the Admiralty.

Sir, *Foreign Office, December* 28, 1870.

WITH reference to my letter of the 13th instant, I am directed by Earl Granville to transmit to you, for the information of the Lords Commissioners of the Admiralty, copies of a despatch and of its inclosures from Mr. Wade respecting the protection of British subjects at Tien-tsin ;† and I am to request that you will inform their Lordships that Lord Granville proposes, with their concurrence, to convey to Mr. Wade his approval of the letter he addressed to Commander Tracey in the matter.

I am, &c.
(Signed) E. HAMMOND.

No. 162.

Mr. Hammond to the Secretary to the Admiralty.

Sir, *Foreign Office, December* 29, 1870.

I AM directed by Earl Granville to transmit to you herewith a copy of a note from the United States' Chargé d'Affaires at this Court,‡ requesting that the thanks of the President of those States may be conveyed to Admiral Kellett for having placed Her Majesty's ships "Barrosa" and "Grasshopper" at the disposal of the American citizens at Tung-chow to convey them to Che-foo, in order to avoid the apprehended violence of the Chinese at the former place; and I am to request that you will move the Lords Commissioners of the Admiralty to carry out the wishes of the President of the United States in this matter.

I am, &c.
(Signed) E. HAMMOND.

No. 163.

Earl Granville to Mr. Moran.

Sir, *Foreign Office, December* 29, 1870.

I HAVE the honour to acknowledge the receipt of your note of the 17th instant, requesting that the thanks of the President of the United States may be conveyed to Admiral Kellett for having placed Her Majesty's ships "Barrosa" and "Grasshopper" at the disposal of the American citizens resident at Tung-chow for their conveyance to Che-foo, to avoid the apprehended violence of the Chinese at the former place; and, in reply, I beg to acquaint you that I have communicated your note to the Lords Commis-

* No. 157. † No. 147. ‡ No. 148.

sioners of the Admiralty, and requested their Lordships to carry out the wishes of the President.

I am, &c.
(Signed) GRANVILLE.

No. 164.

Earl Granville to Mr. Wade.

Sir, *Foreign Office, December* 29, 1870

ALTHOUGH the immediate danger by which the maintenance of friendly relations between foreign nations and China was threatened, may, it is to be hoped, be considered to be removed by the satisfaction tendered to, and accepted by, the French Chargé d'Affaires in atonement of the massacre of French subjects at Tien-tsin in the month of June last; yet it is impossible for Her Majesty's Government to accept the tardy and reluctant consent of the Chinese Government to do justice in a case in which the feelings of all Christian nations were so enlisted, as sufficient to efface the displeasure which they have felt in regard to these matters.

You will state to Prince Kung that Her Majesty's Government are anxious to maintain friendly relations with China, but that it will be impossible for them to do so unless the same anxiety is shown on the part of the Chinese Government. For Her Majesty's Government cannot shut their eyes to the serious consequences which any interruption of friendship between the two countries would involve, and they would earnestly press the Chinese Government to co-operate with them in averting them.

They do so with the more confidence, because they feel assured that if the Chinese Government will only exert the power and influence which it possesses, there will be no difficulty in preventing the recurrence of such disasters as those which have lately caused so much irritation in the minds of foreigners, and which have twice threatened to render the continuance of the foreign Legation at Peking incompatible with the honour and interests of their Governments. But you will explain to the Chinese Government the full importance of their withdrawal, and the consequences to which such a state of things would be but too likely to lead; and you will deduce from such explanation the importance of watching over the safety of the foreign community, repressing the illegal conduct of local authorities, and punishing disorder committed by the lower classes; of strictly observing the provisions of Treaties and promptly redressing wrongs done in violation of them, as affording the surest and most effectual guarantee for peace between China and foreign nations, and the development, to their common advantage, of a healthy and lucrative commerce.

I am, &c.
(Signed) GRANVILLE.

No. 165.

Mr. Wade to Earl Granville.—(Received January 19, 1871.)

My Lord, *Peking, October* 24, 1870.

I HAVE the honour to inclose translation of a Proclamation which, according to the Prince of Kung's promise, already reported to your Lordship, the Chinese Government is about to publish in every province of the Empire. It is in itself the best paper of the kind that has appeared, and the Empire is still governed by these papers. The good it will do, however, must depend entirely upon the *bona fides* of the Government, taken as a whole. If, as is possible, the central Government has been brought to believe that the Tien-tsin massacre will so alarm foreign Powers as to make them henceforward more ready than usual to mark what is done amiss, the provinces will receive with the draft of this document such instructions as will secure us for a time a comparative immunity from offence; at all events from offence of the graver types. But it would be hazardous to predict much about it until we shall have seen how the Proclamation is received by the country in general. The ports are hardly a fair test. In some places, Kiang-si for instance, it will scarcely fail to be most unpopular.

We shall learn from the Romish missionaries to what extent the paper is really circulated.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure in No. 165.

Draft of Imperial Proclamation.

(Translation.)

A Notification for General Circulation.

WITH reference to the outbreak at Tien-tsin :—The people of Tien-tsin, too lightly giving ear to idle stories, suspicions came to be entertained by them which begot ill-blood ; * then on a sudden [breaking out] they had the audacity to murder a large number of foreigners. Chapels were fired and destroyed, and the opportunity was seized to rob and to plunder. These were undoubtedly wicked acts, committed in contempt of law.

It having been ascertained by Tseng, Governor-General of Chih-li, that the tales about the digging out of eyes and cutting out of hearts were utterly false, and rested on no foundation whatever, he made search for the murderers concerned in the outrage, and seized—some earlier, some later—about fifty persons really implicated.†

Of these, Fêng, the Cripple, and others, twenty in all, who had taken life have been sentenced to summary decapitation. Wang Wu, [nicknamed] the "Little Awl," and others, twenty-five in all, who had availed themselves of the coufusion occasioned by the outbreak to take property, have been condemned, in different degrees of severity, to banishment. The prefect and magistrate of Tien-tsin, who mismanaged this affair, have been punished with unusual severity, being exiled to Hei Lung Chiang (the banks of the Amoor), there to atone for their fault by service.‡ This for example's sake.

The arrangements for the compensation § and indemnity [of the families bereaved] have been under consideration, and will presently be completed.‖

It will behove the gentry, the military, and the people of every province to take warning by this ; that so they may be prevented following the like course. And whereas it is too possible that the doubts of the multitude, not being yet dissipated, farther animosity may be the consequence, this Notification is issued, and the gentry, military, and people of every district are expected to understand, that ever since the [ratified] Treaties were exchanged, trade and missionary preaching have been among their stipulations ; that the object of missionary teaching is to persuade men to virtue, and that trade advantages in common both native and foreigner. The State regards all [both native and foreigner] alike, with the same philanthropic feeling. It draws no distinctions. The men from afar within its boundaries, yet more is it a foremost duty to protect.

It is the obligation of the authorities (kuan), in observance of the Treatise, whenever a case presents itself, to examine into it, and dispose of it with impartiality. It is the obligation of the people (min) to pursue their callings in peace, and they are bound, if there be matter of contention between them and the foreigner, to submit it to the local authorities, and to await the equitable action of these taken in concert with the foreigner's official. They are not free, on this pretext or that, to assemble and to do violence. If, respecting not the declared will of the Emperor, they set at nought the laws, they will assuredly be punished with extreme severity. [The fate of] the officials and people of Tient-sin is to be their "mirror of the Yin" ¶ (their constant remembrancer).

Let every one tremble and obey !

Let none resist !

A Special Proclamation.

No. 166.

Mr. Wade to Earl Granville.—(*Received January* 19, 1871.)

My Lord, *Peking, October* 25, 1870.

I HAVE the honour to forward the copy of a despatch from Mr. Robertson reporting the destruction of a Chinese Protestant Chapel at Fatshan, twelve miles from Canton ; the

* *Lit.*, a feud, or a feeling of feud commenced ; a beginning of hostile relations.

† Or, has seized and convicted.

‡ That is, service as convicts.

§ *Lit.*, for comforting.

‖ Or, are being gradually completed ; the money for the reconstruction of the Consulate, Cathedral, &c., being already forthcoming, if not paid.

¶ In a classical passage, an ancient Emperor is reminded that the mirror of the Yin Dynasty, which preceded his own, the warning given by the fate of the Yin, is not far off ; that is, should be constantly before him.

appeal of Mr. Chalmers and other missionaries to him; his reply to them; and his application to the Governor-General Juilin.

Mr. Robertson would not have received my circular already forwarded to your Lordship, but he could not, had it reached him, have acted more exactly in accordance with the course it indicates.

I trust that your Lordship will confirm my approval of his conduct. The Governor-General, who seems to have moved readily at his instance, is in foreign questions the model provincial authority of the Empire, but his willingness to adopt Mr. Robertson's suggestions must be ascribed to that gentleman's success in maintaining with him what Sir Frederick Bruce was wont to describe as "model relations."

I have, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure 1 in No. 166.

Consul Robertson to Mr. Wade.

Sir, *Canton, September* 29, 1870.

I HAVE the honour to acquaint you that a native Christian Missionary Chapel and house at Fatshan, a town some sixteen miles distant from this, was sacked by a mob, and then set fire to and destroyed; the native preachers about were beaten but no lives were lost.

The inclosed copy of a letter from the Rev. John Chalmers, and petition from the native preachers, detail the circumstances attending this affair; my own information leads me to believe that the outbreak was caused by the injudicious prominence given to the opening of this establishment at a time when the feelings of the people are strongly excited against missionaries. I also inclose my reply to the letter addressed to me by the English missionary body here, and one that the American missionaries have sent to their Acting Consul, Mr. Vrooman.

I saw the Viceroy on the subject, who was greatly moved at the occurrence. I said I came not to make demands for restitution or compensation, but to confer with him on the course to be followed. His Excellency replied that immediate steps would be taken for the arrest of the ringleaders. I suggested that, with the present anti-missionary feeling, such a course might involve him in difficulties and give rise to fresh disturbances, and submitted for his consideration the calling of the Elders of the town together and proposing that they should rebuild the premises, and promise that no further outrages should take place, and thus get the matter amicably settled. I added that I considered it a purely Chinese affair as the chapel belonged to the Chinese Christians, and I brought it to his notice under the conviction that the Fatshan people would or could not draw the distinction between the chapel being Chinese and not foreign property, and, unless some immediate steps were taken to show them such disturbances could not be raised with impunity, we should have them extending to Canton, and get into a sea of difficulties; but I strongly recommended a compromise. The Viceroy agreed with this view, and has subsequently informed me that the gentry have consented to restore the buildings, and to compensate the native preachers for their losses; so I hope the matter will be settled to the satisfaction of all parties. Nevertheless, I think it my duty to say that, unquestionably, the anti-missionary feeling is intensifying and spreading, and the high authorities here are uneasy at the prospect. A mob riot in the streets of an ordinary nature would be ruthlessly suppressed at once, and with concurrence of the well disposed; but this missionary question is one involving the religious instincts of the people, consequently the authorities, in the event of an *émeute* arising, are afraid to act fearing they would rise *en masse*, and my own impressions are that such would be the result.

Such outbreaks as at Tien-tsin or elsewhere may be settled for the time, but certainly the feeling of the Chinese, high and low, is strongly aroused in defence of their ancient institutions and religious tenets, which they consider in danger from foreign missionary intervention; moreover, it affords an excuse, a watchword in fact, for those who have something to lose and something to gain by public commotion and pillage.

Your, &c.
(Signed) D. B. ROBERTSON.

Inclosure 2 in No. 166.

The Rev. J. Chalmers and others to Consul Robertson.

Sir, *Canton, September* 23, 1870.

WE, the undersigned missionaries in connection with the London Mission and the Wesleyan Missionary Societies, have the honour to present to you the accompanying petition, drawn up by some native assistants in our employ, and containing a full narration of the circumstances relating to the destruction of a chapel at Fatshan on the 21st instant by a mob of Chinese. This chapel was built by Chinese Protestant Christians, mostly in connection with the London Mission Society, at their own expense; it was intended to take the place of a smaller one occupied for three years past by the same parties and in the same locality, to afford better accommodation for the meeting of converts and for preaching. The work of building was commenced about six months ago and carried on to completion without any serious opposition, and being once commenced, it was considered desirable to go on with it, regardless of occasional threatenings. When the chapel was finished, those who had projected and carried on the idea felt that their position was secure enough to justify them in inviting their friends, Chinese and Europeans, to join them in holding an opening meeting. Chinese friends from various missions, English, American, and German, accordingly met on the 21st instant at the new chapel, the Rev. Mr. Chalmers being the only European missionary present. The opening passed over satisfactorily, and Mr. Chalmers returned to Canton in the afternoon; the Chinese friends remained, intending to have dinner together in the evening. It was then that a violent attack was commenced on the premises at about 6 o'clock P.M.; the door of the chapel was broken in, everything portable stolen, and the premises set on fire. The Christians who were in the preacher's rooms behind the chapel all made their escape, some getting out by a window and over the roofs of houses, and others being lost in the crowd; one or two, however, being severely beaten and bruised, and almost all having lost more or less of their private property. The more conspicuous of the male converts have fled to Canton, as it is now dangerous for them to appear in the streets of Fatshan.

In forwarding to you this petition on behalf of our Chinese employés, we beg to express the hope that, in your official capacity as Her Britannic Majesty's Consul, you will kindly exert your influence, as seems best to you, for the attaining redress for the heavy losses sustained, and for the prevention of further trouble, in the persecution of the native members of our churches, and even the possible shedding of blood. We feel it the more important to forward this petition without delay, because apprehensive of danger to ourselves and to all the interests of foreigners at Canton, if some measure be not at once undertaken condemnatory of this violent destruction of property.

We have, &c.

(Signed) J. CHALMERS.
G. PIERCY.
HENRY PARKES.
JOSEPH GIBSON.
J. WHITEHEAD.

Inclosure 3 in No. 166.

Petition addressed by Native Protestant Preachers to Consul Robertson.

(Translation.)

PETITION presented by A-chin-shan, a native of the Nanhai district, aged 52, and Liang-chu-chên, a native of the Kao-yao district, aged 39, prays that the Consul will request the high authorities to take action in the matter of the late burning and plundering by a riotous mob at Fatshan.

Petitioners first hired a place at Fatshan, in Chao-pei Street, during the 1st moon of the 7th year T'ung-chih (February 1868), where they preached the gospel; but subsequently finding the room too confined for their purpose, the Christians collected a sum in Hong Kong, Shanghae, and other places, with which they bought a piece of land in Mu-ngen Street, and proceeded to erect a chapel. The building was completed during the 8th moon (September 1870), and the 26th (September 21st) was fixed for the opening. The Rev. J. Chalmers and several native Christians were invited to assemble at the service. All of a sudden certain ill-disposed persons raised malicious reports and collected round the door with curses and insults; they began by using foul language, and then proceeded to throw stones and brickbats

Your petitioners at once gave information to the head constable and police, and sent to the sub-magistrate and town clerk; whereupon they were honoured by the despatch of four policemen to the scene, who took one look and retired. The mob then increased in numbers and began to beat down the walls with crow-bars, and, burst in the door to hunt out and beat the Christians. The latter finding their lives in danger escaped by climbing over the walls or breaking through the windows at the back. Three persons, however, were wounded by stones in several places, and the preacher Ho-hsiung-ssu, being unable to make good his escape, was severely injured with blows from stones and clubs; he, however, ultimately escaped to the town clerk's office.

The chapel being thus cleared, the mob then proceeded to sack the place of its contents and to set fire to it, until it was entirely destroyed. The neighbours and shop-keepers looked on all the while and did nothing, nor did the gentry of the place make any effort for our rescue; on the contrary, they even excited their workmen to join the rioters in burning and sacking. When at length the fire-engines arrived they merely protected the surrounding property, and the firemen, so far from attempting to extinquish the conflagration, loudly applauded the incendiaries; the men of the fire-guild styled "lasting security" even went to the extent of hunting about for Christians to murder. The next day the rioters came and carried away the bricks, stonework, and other remains.

Seeing that the gospel is preached with the purpose of inculcating virtue, and that its propagation is not disallowed by Treaty, the rioters who sacked and burned the chapel have offended against the law. Petitioners therefore pray that Her Britannic Majesty's Consul will request his Excellency the Viceroy to depute competent officers, who will consult with the local functionaries and do justice to the offenders, so as to prevent a recurrence of the outrage Also that compensation may be made, accorded to the appended estimate, and the chapel rebuilt. So may the glad tidings of the gospel be spread abroad.

(Signed) EDWD. COLBORNE BABER,
Acting Interpreter.

VALUATION OF LOSSES.

		Taels	mace.
1.	One Protestant chapel, 53 Chinese feet long, and 22 feet broad: cost of building .	920	0
2.	One dwelling-house containing two rooms, with wing attached: cost of building .	350	0
3.	Thirty large wooden chairs	35	0
4.	Twenty large bamboo chairs	16	0
5.	Ten large tables	14	0
6.	Twelve stools	4	0
7.	Eight sets of bed trestles	5	76
8.	Cooking utensils	7	2
9.	One foreign sewing machine (?)	43	2
10.	Bibles and other books	120	0
11.	Chinese books	4	0
12.	One clock	2	8
13.	Provisions and fuel	5	2
14.	Hangings and scrolls	10	0
15.	Cloths and trunks belonging to Ho-hsiung-ssu	73	0
16.	Ditto, belonging to Lo-chao-Yang	60	0
17.	Miscellaneous articles lost by other persons present	60	9
18.	Money in chest	91	73
19.	Title-deed of ground	..	
	Total	1,822	79

Inclosure 4 in No. 166.

Consul Robertson to the Rev. J. Chalmers and others.

Gentlemen, *Canton, September* 24, 1870.

I AM in receipt of your letter of the 23rd instant inclosing a Petition from some native assistants in your employ, containing a full narration of the circumstances attending the destruction of a chapel at Fatshan, on the 21st instant, by a mob of Chinese, giving your own account of the occurrence, and requesting from me redress for the heavy losses sustained, and protection from further trouble in the persecution of the native members of your churches, and even the possible shedding of blood.

In reply, I have to express my regret at the event, but am not at all surprised at its following so ill-judged an event as that of opening a chapel at a time when a strong anti-

missionary feeling is agitating the minds of the Chinese, and at a place too which has always been turbulent and ill-disposed towards foreigners.

As regards obtaining redress for the heavy losses sustained, if by that you mean pecuniary compensation to the Petitioners, I am sorry I cannot entertain such a request. In the first place, they are not British subjects, and had they been so, they were residing beyond the limits of the port and therefore at their own risk.

Respecting persecution, I do not see how it is to be avoided in a country where the religious tenets of the people are diametrically opposed to those of Christianity, and indeed when the latter are considered as subversive of the ancient faith and institutions of the Empire. These are difficulties that time alone can surmount.

I will give the Petition and your representations the best consideration in my power; more than that I am at present unable to say.

I am, &c.
(Signed) D. B. ROBERTSON.

Inclosure 5 in No. 166.

The Rev. A. Happer and others to Mr. Vrooman.

Sir, *Canton, September* 23, 1870.

THE undersigned citizens of the United States would respectfully present to you this memorial, and request you to bring the matter before the Governor-General of the Two-Kwang.

Ever since the terrible events which occured at Tien-tsin on the 21st of June, 1870, there has been a disturbed state of feeling here among a part of the population. This has been manifested by angry words spoken in our chapels; by false rumours spread abroad about our schools; by papers which have been thrown into some of the school-rooms requiring the teachers to cease teaching, and forbidding parents to send their children, so that the attendance at two of the female schools has been diminished by more than one-half. On one occasion, at our chapel at Ho-ki, in the western suburbs, the crowd pressed into the chapel during the usual service and sought to make a disturbance. They cried out "Kill those who explain the books!" "Kill those who have embraced the religion of Jesus!" and only the moderation of the better class of the audience prevented the others resorting to violence.

We have hoped that by avoiding anything that would attract special attention or give offence, and by the issuing of the proclamation by the Chinese authorities, for which we would express our thanks, the excitement would subside. But the occurrence at Fatshan on the evening of the 21st instant, when in a public manner and with the connivance of the people in the street, a mob repaired to a Christian chapel, just erected by native Christians, and plundered it of everything of any value and then set fire to the building so as utterly to destroy it, has awakened in our minds the most serious anxieties. If this outrage on law and order is not most condignly punished, and if the most efficient means are not taken to protect the lives of the native Christians, which were on that evening and are still most seriously endangered, there can be but little feeling of safety in our missionary labours in this city. The toleration of Christianity is assured in the Treaty with the United States. The protection of those propagating the religion of Jesus, and those from among the natives of China who may profess it, is most explicitly promised by the Chinese Government.

We would respectfully request that you lay a statement of the present condition of things before the Governor-General, and request that he would take such steps as may be necessary to prevent wicked persons from interfering with our chapels and schools and afford protection to the lives and property of native Christians.

With much respect, &c.
(Signed) A. P. HAPPER.
H. V. NOYES.
A. MARCELLUS.
J. G. KERR.
WM. Mc CHESNEY.

Inclosure 6 in No. 166.

Mr. Wade to Consul Robertson.

Sir, *Peking, October* 25, 1870.

I AM in receipt of your despatch of the 29th of September, reporting the destruction of a chapel at Fatshan.

I entirely approve your proceedings in reference to that matter, and I cannot too warmly congratulate you on the success of your intervention.

You will ere this have received my Circular of the 20th of September; but it is scarcely necessary to remind an officer of your experience and discretion of the necessity of inculcating upon our missionaries the necessity of being careful, especially at this moment, to do nothing calculated to irritate that strong anti-propagandist feeling which, as you justly observe, is really entertained by what we may call the serious class of Chinese, and employed as a weapon by those who have something to gain out of any disturbance.

I am, &c.
(Signed) THOMAS FRANCIS. WADE.

No. 167.

Mr. Wade to Earl Granville.—(Received January 19, 1871.)

My Lord, *Peking, October* 26, 1870.

A COPY of the Proclamation referred to in my despatch of the 24th instant was forwarded me last night in a despatch from the Prince of Kung, translation of which I inclose.

I have instructed Mr. Medhurst to publish both Chinese text and translation in the "North China Herald," and to inform me of the effect produced by the document, should the Chinese authorities publish it within his Consular jurisdiction.

Mr. Medhurst is farther to send a copy of the number of the paper in which it appears to each of Her Majesty's Consuls, with a request that they will similarly report upon its reception in their respective districts.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure in No. 167.

The Prince of Kung to Mr. Wade.

(Translation.) *October* 25, 1870.

THE Prince of Kung, &c., makes a communication to Mr. Wade, Her Britannic Majesty's Chargé d'Affaires, &c.

The proceedings in the case of the outbreak at Tien-tsin are now brought to a close, but the Yamên of Foreign Affairs is apprehensive that, if the suspicions of the people in other parts of the Empire be not allayed, they may themselves break out, and follow the course pursued at Tien-tsin. With special reference to this contingency, it has drafted a Proclamation, to be circulated throughout the Empire, in which the action taken in the Tien-tsin affair is especially set forth, and it is writing to the Provincial Governors-General and Governors, the Military Governors, and Resident Ministers, to issue copies to their subordinates, that they may have the Proclamation posted in the cities, villages, and market towns, and, by these means, every individual may be made to take warning, and prevented following the course pursued at Tien-tsin, as something towards the maintenance of peace uninterrupted between Chinese and foreigner, and the strengthening of friendly relations. This draft will be communicated to the Provincial and Military Governments. It is farther the duty of the Prince to communicate a copy to Mr. Wade.

A necessary communication, &c.

T'ung-Chih, 9th year, 10th moon, 2nd day.

No. 168.

Mr. Wade to Earl Granville.—(*Received January* 19, 1871.)

My Lord, *Peking, October* 26, 1870.

I HAVE the honour to refer your Lordship to my despatch of the 29th September, upon the protection of British subjects in China by Her Majesty's Navy.

Sir Henry Kellett, as the inclosed despatch will show, has very readily acceded to the request I made him; and your Lordship will see, from the accompanying Circular, that Her Majesty's Consuls have been carefully warned not to abuse the relaxation of a rule which was intended to prevent acts of war.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure 1 in No. 168.

Vice-Admiral Sir H. Kellett to Mr. Wade.

Sir, "*Ocean*," *at Nagasaki, October* 14, 1870.

IN reply to your letter of the 29th ultimo I have the honour to acquaint you that confidential instructions have been given to the commanding officers of Her Majesty's ships employed on the coast of China to inform Her Majesty's Consuls, as you request, that, if satisfied that the quarter inhabited by British subjects is in danger of being attacked, they will be prepared at once to land a force for its protection, and to act against any mob or organized body invading it, either singly, or, if vessels-of-war belonging to other Powers be present, in concert, with them, so long as they are engaged in purely defensive operations.

I have considered it proper to acquaint the Commanders, however, that only such a force is to be landed for this purpose as is consistent with the efficiency and safety of Her Majesty's ships during their absence.

You may rely upon naval officers cordially carrying out any duties which may devolve upon them by this relaxation of existing orders, as far as the means at their disposal admit.

I have, &c.
(Signed) HENRY KELLETT.

Inclosure 2 in No. 168.

Circular addressed by Mr. Wade to Her Majesty's Consuls in China.

Sir, *Peking, October* 26, 1870.

THE Naval Commander-in-chief has consented to authorize Commanders of Her Majesty's vessels-of-war in any open port of China, if satisfied that the quarter inhabited by British subjects is in danger of being attacked, to land a force for its protection, and to co-operate with any vessels-of-war under other flags that may be present, so long as these are engaged in purely defensive operations.

You are aware of the very great dissatisfaction which an apparently unnecessary resort to force in this country invariably causes in England, and I cannot too strongly impress upon you the duty of limiting your appeals to Her Majesty's Navy to occasions on which you are persuaded that, without their active support, the lives or property of British subjects will be endangered.

I am, &c.
(Signed) THOMAS FRANCIS WADE.

No. 169.

Mr. Wade to Earl Granville.—(*Received January* 19, 1871.)

My Lord, *Peking, October* 27, 1870.

M. DE ROCHECHOUART has communicated to me lithographed copies of a Circular addressed by him to the Consuls of France in China, and of a translation of

a despatch addressed to him by the Prince of Kung, appended to which is a list of the Chinese condemned to death or exile for their share in the deed of the 21st June, with a note of the admissions on which their sentences were founded.

M. de Rochechouart left this yesterday morning for Shanghae, to make some arrangements regarding the money to be paid for reconstruction of the buildings destroyed, and similar reparations. He told me that I might expect him back in a fortnight or three weeks.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure 1 in No. 169.

Circular addressed by M. de Rochechouart to French Consuls in China.

Légation de France en Chine, le 22 *Octobre*, 1870.

J'AI l'honneur, pour votre information particulière, de vous faire connaître la liste des satisfactions que le Gouvernement Chinois s'est décidé à offrir au Gouvernement Français au sujet des massacres de Tien-tsin. Je n'ai ni à approuver ni à désapprouver ce programme, qui n'était pas le mien et qui d'ailleurs est exécuté à l'heure actuelle. Le Gouvernement Chinois a sur ma demande envoyé son Excellence Tchong-Ho comme Ambassadeur en France pour expliquer sa conduite et la faire agréer s'il le peut; je ne saurais donc jusqu'à l'issue de cette mission préjuger la décision définitive de mon Gouvernement, mais ce que je puis et que je dois porter à votre connaissance dès aujourd'hui c'est ma conviction qu'il n'y a pour le moment du moins aucun danger de voir se renouveler sur d'autres points de la Chine les douloureux événements de Tien-tsin; et je vous prie, M. , de vouloir bien rassurer les personnes qui viendraient vous consulter sur ce sujet, elles peuvent sans crainte vaquer à leurs affaires et à leur commerce comme par le passé conformément aux droits inscrits dans les Traités.

Le Gouvernement Chinois s'est engagé à prendre les mesures nécessaires pour assurer partout cette sécurité, et dans le cas où je ne serais pas suffisamment convaincu de l'efficacité de cette promesse j'aurais soin de prendre les précautions nécessaires pour garantir la vie et les propriétés de mes compatriotes contre toutes les éventualités fâcheuses.

Je profite également de cette occasion, M. , pour rectifier quelques inexactitudes qui se sont glissées dans l'opinion publique et qu'il importe de faire disparaître :—

1. Je n'avais jamais entendu prononcer le nom de Tcheng Kouo-jouei avant les événements de Tien-tsin, et ce personnage ne s'était jamais trouvé mêlé à aucune des affaires que j'avais eues à traiter jusqu'à ce jour.

2. Il est parfaitement faux que j'aie adressé au Gouvernement Chinois plusieurs ultimatums pour exiger telles ou telles satisfactions. J'ai, il est vrai, insisté sur certains points, mais je n'ai jamais formulé d'exigences *sine quâ non*.

3. Je ne crois pas qu'il ait existé de complot à Péking dans le but de massacrer les Européens établis dans cette ville. Il se peut que dans les premiers jours qui ont suivi les événements de Tien-tsin nous ayions eu à craindre le contrecoup de cette lugubre tragédie, mais ces appréhensions se sont heureusement vite dissipés en songeant à la composition de la population de Péking, où l'élément Tartare domine et ferait par conséquent obstacle à toute émeute, à moins d'y être poussé par le Gouvernement Central, qui dans ces circonstances n'avait aucun intérêt à aggraver la situation.

4. Il est parfaitement vrai qu'une lettre écrite par M. Fontanier le jour même de son massacre a fourni le plus fort argument en faveur de l'innocence de son Excellence Tchong-Ho, mais il est faux que pendant mon séjour à Tien-tsin ce personnage ait déjeuné chez moi ou que j'aie déjeuné chez lui. Lorsque ce haut fonctionnaire est venu me voir à bord de la "Flamme," il n'a même pas reçu les honneurs militaires dus à son rang.

5. Le plus parfait accord n'a cessé de régner entre les différents Chefs de Mission résidant à Péking, et chaque fois que j'ai eu recours à mes collègues je les ai toujours trouvés, tous sans exception, prêts à seconder mes efforts. Quelques-uns d'entr'eux même se trouvant plus particulièrement intéressés à la question par suite de la nationalité un peu cosmopolite des Sœurs de la Charité, n'ont cessé d'insister de la façon la plus énergique auprès du Gouvernement Chinois pour obtenir le châtiment des meurtriers de leurs compatriotes.

Vous voudrez bien, M. , saisir toutes les occasions pour remercier, au

nom du Gouvernement Français, vos collègues et les différentes communautés des ports de la sympathie qu'ils nous ont constamment témoignée dans ces pénibles circonstances.

Recevez, &c.

(Translation.)

Peking, October 22, 1870.

I HAVE the honour to communicate to you, for your special information, a list of the terms which the Chinese Government has decided on offering to the French Government in satisfaction of the matter of the Tien-tsin massacre.

It is not for me either to approve or disapprove of this programme, which was not mine, and which, besides, has already been carried out.

The Chinese Government has, on my demand, sent his Excellency Chung H'ou as Ambassador to France, in order that he may explain his conduct satisfactorily, if he can. I cannot, therefore, until the result of this mission is known, prejudge the final decision of my Government, but what I can and do bring to your notice from to-day is my conviction that there is not, for the moment at least, any danger of witnessing a renewal at other places in China of such painful events as those which took place at Tien-tsin ; and I beg you, Monsieur, to be good enough to reassure such persons as may consult you on the subject, that they may continue without fear to pursue their business and their trade as formerly, in conformity with the rights secured by the Treaties.

The Chinese Government has engaged to take the necessary measures to ensure everywhere that security; and in case I should not be sufficiently convinced of the efficaciousness of that promise, I shall not fail to take the necessary precautions to guarantee the lives and properties of my countrymen against any disastrous eventualities.

I also take advantage of this opportunity, Monsieur, to correct certain mistakes which have crept into public opinion, and which it is necessary to correct. :—

1st. I had never heard the name of Tcheng Kouo-jouei before the events of Tien-tsin, and that personage was never mixed up in any of the affairs on which I was engaged until that day.

2nd. It is perfectly untrue that I addressed to the Chinese Government several ultimatums for the purpose of enacting such or such satisfaction. I did, it is true, insist on certain points, but I never drew up demands *sine quâ non*.

3rd. I do not believe that there existed a plot in Peking having for its object the massacre of the Europeans established in that city. It is possible that during the first days that followed the events at Tien-tsin we might have had to fear a repetition of that dark tragedy; but these apprehensions were happily soon dissipated when we thought of the composition of the population of Peking, where the Tartar element predominates, and would consequently prove an obstacle to any riot, unless it were excited by the Government, which, under the circumstances, had no interest in aggravating the situation.

4th. It is perfectly true that a letter written by M. Fontanier on the very day of his murder has furnished the strongest arguments in favour of the innocence of his Excellency Ch'ung Hou, but it is false that, during my stay at Tien-tsin, this person breakfasted with me or I with him. When this high functionary visited me on board the "Flammé" he did not even receive the military honours due to his rank.

5th. The most perfect agreement has always existed between the different heads of Missions residing at Peking, and on every occasion on which I have had recourse to my colleagues I have always found them all, without exception, ready to second my efforts. Some of them even, finding themselves more particularly interested in the question on account of the somewhat cosmopolitan nationality of the Sisters of Charity, have not ceased, in the most energetic manner, to press the Chinese Government with a view of obtaining the punishment of the murderers of their countrywomen.

Will you be so good, Monsieur, as to take every opportunity to thank, in the name of the French Government, your colleagues and the various communities at the ports for the sympathy which they have continually testified to us during these painful circumstances?

Receive, &c.

Inclosure 2 in No. 169.

The Prince of Kung to M. de Rochechouart.

(Traduction.) *Péking, le* 15 *Octobre*, 1870.

LE massacre des étrangers à Tien-tsin le 21 Juin dernier a été la conséquence d'enlèvements de personnes que l'on mettait sur le compte des Chrétiens. La suspicion se changea en haine, et les circonstances qui se produisirent de part et d'autre amenèrent un soulèvement, puis bientôt une catastrophe.

Le jour même que furent rapportés ces faits à l'Empereur, un Décret ordonna expressément à Tseng, Vice-Roi du Tche-ly, Grand Conseiller Militaire de l'Empire, Tuteur Impérial Honoraire de deuxième classe, décoré de la plume de paon à double œil, Noble de première classe, Marquis de Y-yong, de se rendre à Tien-tsin pour procéder aux enquêtes et régler cette affaire.

Parut ensuite un Décret ordonnant aux Vice-Roi et Gouverneur de la province du Tche-ly d'exiger que les autorités sous leur juridiction protègent, suivant les circonstances, tous lieux de commerce étrangers et de propagation de doctrines.

L'Empereur daigna après cela désigner Tchong, Tuteur Impérial Honoraire de troisième classe, Globule de premier degré, décoré de la plume de paon à double œil, Lieutenant-Général de la Bannière bordée de Rouge, Vice-Président de la Ministère de la Guerre, Surintendant du Commerce des Trois Ports du Nord, pour se rendre officiellement auprès de votre noble Gouvernement et donner ainsi un noble marque de la sincère amitié dont sont animées les deux nations.

Cette catastrophe se produisit pour nous, Prince et Ministre, d'une manière tout inattendue. Nous déplorons profondément que des fonctionnaires et des sujets de votre noble Empire aient été les malheureuses victimes d'un pareil attentat.

La Chine étant depuis beaucoup d'années en relations d'amitié avec votre noble Empire, nous ne pensions pas que les populations pussent jamais commettre un acte aussi immaginable et incomprehensible.

A de nombreuses reprises nous vous avons communiqué officiellement, noble Chargé d'Affaires, les Décrets ayant trait à ces événements. En même temps nous vous envoyions des dépêches vous donnant l'assurance que les malfaiteurs compromis dans cette affaire devaient être arrêtés et sévèrement interrogés; que les meurtriers, à quelque rang qu'ils appartiennent, seraient condamnés suivant la loi, et que les autorités locales fautives seraient traduites devant le Tribunal du Mandarinat; que les établissements religieux, l'hôtel Consulaire, et autres immeubles détruits seraient remis en état à l'aide d'une indemnité; que nous regrettions encore plus, s'il est possible, la mort des Sœurs de Charité; et finalement nous vous prions de nous donner une liste des victimes afin d'avoir une base de calcul pour les indemnités pécuniaires.

Tel était le sujet des dépêches que nous avons successivement fait parvenir.

Conformément à ce que nous avions l'honneur de vous annoncer, Tsêng, membre du Conseil de l'Empire, Vice-Roi du Tche-li, et autres, rapportaient qu'ils avaient procédé à une enquête des circonstances au milieu desquelles eut lieu le soulèvement; ils ont nettement déclaré qu'en fait d'extractions d'yeux et de cœur il ne s'agissait que de fables, et de pareille chose n'avait pas eu lieu; ils ont prié de l'Empereur de faire paraître un Décret dissipant tous les doutes qu'on pouvait encore conserver à cet égard, et ordonnant avec sévérité aux autorités territoriales, civiles et militaires, de poursuivre activement les meurtriers. Les mêmes hauts fonctionnaires priaient en même temps l'Empereur de dégrader et de faire traduire devant le Hing-pou (Tribunal des Châtiments) le Préfet de Tien-tsin, Tchang Koang-tsao, et le Sous-Préfet Leon-kie, tous deux coupables de n'avoir su maintenir l'ordre, et de n'avoir pas immédiatement après les événements fait arrêter les coupables.

Le 5 Octobre parut un Décret par lequel l'Empereur, considérant que le Préfet et le Sous-Préfet de Tien-tsin n'avaient pris aucune mesure capable de prévenir ce qui survint entre le peuple et les Chrétiens, et ensuite n'avaient su mettre de suite la main sur les coupables, donnait son approbation aux mesures qui lui était soumises.

En conséquence, Tsêng Kouo-fan et autres firent le procès de ces deux fonctionnaires dégradés et les envoyèrent sous bonne garde au Hing-pou, qui proposa à l'Empereur d'appliquer la peine privue par l'Article,—"Soulèvement criminel de la populace, incapacité des autorités civiles et militaires territoriales à réprimer le désordre et à protéger," c'est-à-dire, destitution; peine qui, vu la gravité des faits, s'augmente de l'exil et d'un concours obligatoire aux travaux des armées de frontière.

L'Empereur était prié, vu l'extrême gravité des circonstances, de désigner lui-même le lieu d'exil.

Le Préfet et Sous-Préfet sus-nommés étaient responsables dans leur arrondissement

respectif; ils n'ont, cependant, pas su aviser au moyen d'empêcher les populations de Tien-tsin de se lever en masse et de commettre les faits qui eurent lieu. C'est ainsi que des malfaiteurs eurent l'occasion de mettre tout à feu et à sang, et de tuer beaucoup de monde, et comme circonstance aggravante ils n'arrêterent pas les coupables aussi vite que les circonstances l'exigeaient: Tchang Koang-tsao et Leon-kie sont, en conséquence, condamnés à être déportés au fleuve Amour pour expier leur crime par des travaux pénibles. Pour une pareille punition l'Empereur a voulu donner un avertissement à tous :—

"La populace de Tien-tsin, mue par le doute et la colère, ne tenant pas compte de ce que faisaient les autorités locales pour le rétablissement de l'ordre, poussa l'audace jusqu'à faire plus de vingt victimes, parmi lesquelles se trouvèrent les Sœurs de Charité cruellement massacrées. Ce fait accuse davantage la lacheté des meurtriers.

"Tcheng Kouo-fan et autres viennent de juger les individus arrêtés et compromis dans cette affaire: le châtiment a été proportionné à la gravité des crimes de chacun. Feung, dit "le Boiteux," et quinze autres coupables ont été condamnés à mort; Wang-ou, dit "le Poinçon," et vingt-et-un autres invididus sont condamnés au bannissement (décennal) aux frontières les plus éloignées. Les châtiments se trouvant mérités, l'Empereur a approuvé les sentences rendues, et a ordonné pour Feung et ses complices l'application sans sursis de la peine de mort, pour Wang et autres l'envoi au lieu fixé pour l'exil.

"Après ces actes de sévérité les autorités locales de la Province du Tche-ly devront adresser des proclamations aux habitants afin qu'ils fassent leur devoir et respectent les lois et que de pareils événements ne se renouvellent plus.

"Toutes les fois qu'il se présentera une affaire intéressant les étrangers, on devra, conformément aux Traités, la régler avec justice et d'une manière satisfaisante.

"Notre espérance est de voir l'ordre régner en tous lieux, et par conséquent la paix entre les négociants indigènes et étrangers.

"Respectez ceci."

A ce Décret succéda un autre qui parut le 9 Octobre, et fut rendu sur un rapport supplémentaire de Tsêng Kouo-fan. Voici les termes de ce Décret :—

"Les coupables dont Tsêng Kouo-fan et autres donnent la liste après jugement doivent être condamnés ainsi que l'a décidé le Vice-Roi.

"Leou-eul et quatre autres individus subiront la peine capitale.

"Tang-lao et trois autres individus subiront un exil proportionné à la gravité de leurs crimes.

"Respectez ceci."

Tous les Décrets cités ci-dessus vous ont été communiqués officiellement.

Dès le début vous avez parlé, noble Chargé d'Affaires, de la mise à mort du Préfet et du Sous-Préfet de Tien-tsin, et du Général Tseng Kouo-jouei. Notre solution d'aujourd'hui ne satisfait pas tout à fait votre Excellence.

Notre acquiescement à vos désirs avait de grands inconvénients pour la Chine, et l'explication de ceci pourra naturellement être donnée de vive voix par son Excellence Tchong à votre noble Gouvernement.

Je vous rappelerai à ce sujet qu'il a été constaté après enquête du Vice-Roi Tseng et autres que les événements de Tien-tsin doivent leur origine au crédit qu'ajoutait le peuple de Tien-tsin à certaines fables et ne sont pas le résultat de l'instigation des autorités locales.

Les meurtriers sont punis de mort, et les Préfet et Sous-Préfet sont envoyés dégradés au fleuve Amour pour expier leurs crimes en concourant aux travaux pénibles des armées occupant la frontière.

Cette condamnation est déjà des plus sévères et sera une leçon pour l'avenir. C'est par hasard que le Général Tcheng Kouo-jouei se trouvait à Tien-tsin: cet officier était malade et en voyage; il n'est pour rien dans ce qui s'est passé. Il n'est donc pas besoin de s'étendre davantage sur ce sujet.

Quant à la mise à mort des condamnés à cette peine, la Chine a déjà fidèlement agi et n'a montré aucune partialité.

Une dépêche de votre Excellence admet le remboursement des pertes subies par les établissements religieux et autres soit 210,000 taels.

Notre Souverain déplorant profondément que des fonctionnaires, des négociants et leurs femmes, des Sœurs de Charité, aient été victimes des événements de Tien-tsin, a fixé à 25,000 taels le chiffre d'une indemnité pécuniaire dont nous vous avons déjà envoyé officiellement un compte de répartition.

Quoique l'affaire de Tien-tsin soit terminée nous devons encore nous occuper des mesures à prendre contre toute fâcheuse éventualité; aussi le nouveau Vice-Roi du Tche-ly, Tuteur Impérial Honoraire de deuxième classe, membre suppléant du Grand Conseil de l'Empire, décoré de la plume de paon à double œil, Noble de première classe, Comte de Son-y, demeure-t-il à Tien-tsin dans le but d'exercer une protection efficace.

Voici déjà bien des années que la Chine est liée d'amitié avec votre noble Gouvern ment. C'est inopinément que se sont produits de la part du peuple les événements Tien-tsin; ainsi donc ils ne peuvent en rien diminuer la confiance et porter atteinte l'honneur national. La question qui nous a occupés jusqu'ici se trouve éclairée et résolu

Son Excellence Tchong a reçu de l'Empereur l'ordre d'aller en personne remettre un lettre du Gouvernement Chinois au vôtre en témoignage de son désir de voir le bon accord régner perpétuellement entre les deux Etats. Son Excellence Tchong a exposé à l'Empereur qu'il emmenerait avec lui comme Secrétaires MM. Novion et Senbert, tous deux sujets Français.

Tel est le but de la présente communication. J'en adresse une autre au Ministre des Affaires Etrangères de votre noble Gouvernement. Je prie votre Excellence de vouloir bien la prendre en considération.

(Translation.)

(Translation.) *Peking, October* 15, 1870.

THE massacre of foreigners at Tien-tsin on the 21st June last was the result of the kidnapping of persons, the blame of which was thrown on the Christians. Suspicion turned to hate, and the circumstances which arose from one cause and another brought on a rising which soon ensued in a catastrophe.

The very day on which these facts were made known to the Emperor, a Decree expressly ordered Tseng, Viceroy of Tche-li, Great Military Councillor of the Empire, Honorary Imperial Tutor of the 2nd Class, decorated with the peacock's feather with two eyes, Noble of the 1st Class, Marquis of Y-yong, to proceed to Tien-tsin to proceed to enquire into and settle this affair.

Afterwards a Decree appeared ordering the Viceroy and Governor of the province of Tche-li, to insist on the authorities under them protecting, according to circumstances, all places where foreigners were engaged in commerce or the propagation of doctrines.

The Emperor was graciously pleased after that to order Tchong, Honorary Imperial Tutor of the 3rd Class, Mandarin of 1st Button, decorated with the peacock's feather with two eyes, Lieutenant-General of the Banner with red border, Vice-President of the Ministry of War, Superintendent of Commerce of the three Northern Ports, to appear officially before your noble Government, and thus give a noble proof of the sincere friendship which animates the two nations.

This catastrophe came upon us, Prince and Minister, in a most unexpected manner. We deplore profoundly that functionaries and subjects of your noble Empire should have been the unhappy victims of such an outrage.

China having been engaged for many years past in friendly relations with your noble Empire, we did not think that the people could ever commit an act so unheard of and incomprehensible.

On many occasions, noble Chargé d'Affaires, we have communicated to you Decrees bearing on these events. At the same time we sent you despatches giving you the assurance that the offenders compromised in this affair should be arrested, and several interrogated; that the murderers, to whatever rank they belonged, should be condemned according to the law; that the local authorities in fault should be brought before the tribunal of Mandarins; that the religious establishments, the Consulate, and the other buildings destroyed should be restored by means of an indemnity; that we regretted still more, if possible, the death of the Sisters of Charity; and finally, we prayed you to give us a list of the victims so that we might have a basis on which to calculate the pecuniary indemnities.

Such was the subject of the despatches we have from time to time addressed to you.

In conformity with what we had the honour of announcing to you, Tseng, Member of the Council of the Empire, Viceroy of Tche-li, and others, reported that they had proceeded to an inquiry of the circumstances in the midst of which the rising took place. They have positively declared that with respect to the alleged extraction of eyes and hearts, it was nothing but a fable, and that such a thing had never taken place. They have prayed the Emperor to issue a Decree dispelling all doubts which might still exist on this subject, and ordering with severity the territorial authorities, civil and military, actively to pursue the murderers. The same high functionaries prayed the Emperor at the same time to degrade and order the appearance before the Hing-pou (Board of Punishment) of the Prefect of of Tien-tsin, Tchang Koang-tsao, and the Sub-Prefect Leon-kie, both of whom were guilty in that they did not maintain order, and did not immediately after the events arrest the culprits.

On the 9th October a Decree appeared by which the Emperor, considering that the

Prefect and Sub-Prefect of Tien-tsin had not taken any successful measures for preventing that which took place between the people and the Christians and afterwards did not immediately lay hands on the guilty parties, gave his approval to the measures which were submitted to him. In consequence of this Tsêng Kwo-fan and others took proceedings against the degraded functionaries and sent them under a secure guard to the Hing-pou which submitted to the Emperor to apply the punishment provided by the article "Criminal rising of the populace, incapacity of the civil and military territorial authorities to repress disorders and to protect," that is to say, degradation—a punishment to which, having regard to the gravity of the case, is added exile and compulsory labour with the armies of the frontier.

The Emperor was prayed, in view of the extreme gravity of the circumstances, to indicate himself the place of exile.

The Prefect and Sub-Prefect above-mentioned were responsible in their respective districts. Nevertheless, they were unable to find means to prevent a general rising of the populace of Tien-tsin, and the perpetration by them of the crimes which took place ; thus it was that the offenders had the opportunity of spreading fire and death, and of murdering numbers of people, and as an aggravation they did not arrest the guilty as quickly as the circumstances required ; Tchang Koang-tsao and Leon-kie are consequently condemned to be exiled to the River Amoor, to expiate their crimes by hard labour. Of such a punishment the Emperor has been pleased to give notice made known to all :—

"The populace of Tien-tsin roused by doubt and rage, taking no account of the proceedings of the local authorities for the re-establishment of order, pushed their audacity so far as to sacrifice more than twenty victims, amongst whom were the Sisters of Charity cruelly massacred. This fact is a further proof of the cowardice of the murderers.

"Tsêng Kwo-fan and others have just condemned the individuals arrested and compromised in this affair ; the punishment has been in proportion to the gravity of the crimes of each. Feung, called 'the lame,' and fifteen other criminals have been condemned to death ; Wang-ou, called 'the bodkin' (?), and twenty-one other individuals are condemned to banishment (for ten years) to the most distant frontiers. The punishments are merited : the Emperor has approved the sentences pronounced, and has ordered that Feung and his accomplices shall suffer the penalty of death (without reprieve), and that Wang and others shall be sent to the place fixed for exile.

" After these acts of severity the local authorities of the Province of Tche-li are to address proclamations to the inhabitants, enjoining them to do their duty and respect the laws so that such events may not again occur.

" Whenever any affair concerning foreigners may present itself, in conformity with the Treaties, it must be to arrange with justice and in a satisfactory manner.

" Our hope is to see order established everywhere, and consequently peace between native merchants and foreigners.

" Respect this."

To this Decree succeeded another which appeared on the 9th October, and which was issued on a supplementary report of Tsêng Kwo-fan. These are the terms of this Decree :—

" The guilty, of whom Tsêng Kwo-fan and others give a list after trial, are to be condemned has the Viceroy as decided.

" Leon-eul and four others shall suffer death.

" Tang-lao and three others shall suffer exile proportionate to the gravity of their crimes.

" Respect this."

All the Decrees above cited have been communicated to you officially.

From the commencement you have spoken, noble Charge d'Affaires, of the execution of the Prefect and Sub-Prefect, also of the General Tsêng Kwo-jouei. Our present solution does not entirely satisfy your Excellency.

Our yielding to your wishes was attended with serious embarrassment to China, and the explanation of this can naturally be given *viva voce* by his Excellency Chang to your noble Government.

On this point I would remind you that it has been established by the investigation of the Viceroy Tsêng and others, that the events at Tien-tsin owe their origin to certain fables, and do not result from the investigation of the local authorities.

The murderers are punished with death, and the Prefect and Sub-Prefect are sent, degraded, to the River Amoor, to expiate their crimes, by taking part in the hard labour of the armies occupying the frontier. This sentence is already most severe and will serve as a lesson for the future.

It was by accident that the General Tsêng Kwo-jouei was present at Tien-tsin.

That officer was sick and on a voyage; he had nothing to do with what took place. There is, therefore, no necessity for saying more on this subject.

As regards the execution of those condemned to death, China has already acted faithfully, and has shown no partiality.

A despatch from your Excellency accepts the repayment of the losses sustained by the religious establishments and others, to the amount of 210,000 taels.

Our Sovereign, profoundly deploring that functionaries, merchants, and their wives and Sisters of Charity should have been the victims of events which took place at Tien-tsin, has fixed at a sum of 25,000 taels the pecuniary indemnity, for the distribution of which we have already sent you an account. Although the Tien-tsin affair is now settled, we still think it our duty to take precautions against any unfortunate eventuality; therefore the new Viceroy of Tche-li, Honorary Imperial Tutor of the 2nd Class, Supernumerary Member of the Great Council of the Empire, decorated with the peacock's feather with two eyes, Noble of the 1st Class, Count of Son-y, will remain at Tien-tsin, with the object of exercising effectual protection. China has now for many years been on terms of friendship with your noble Government.

The events at Tien-tsin on the part of the people occurred unexpected; they cannot, therefore, in any degree diminish confidence or affect the honour. The question which until now has occupied our attention is cleared up and solved.

His Excellency Chung has received orders from the Emperor to go in person, to convey a letter from the Chinese Government to yours, in testimony of their wish that good understanding should reign perpetually between the two States.

His Excellency Chung has laid before the Emperor his intention of taking with him as Secretaries MM. Novion and Senbert, both French subjects.

Such is the aim of this communication. I address another to the Foreign Minister of your noble Government.

Inclosure 3 in No. 169.

List of Chinese condemned to Death or Exile.

Condamnés à la Peine Capitale.

1. Feung, dit "le Boiteux," a reconnu avoir tué M. Fontanier à coup d'épieu.
2. Leon-eul a reconnu avoir tué M. l'Abbé Chevrier à coup de bâton ferré.
3. Kiang-ou a reconnu avoir tué des Russes à coups de lance.
4. Kien-eul a reconnu avoir tué un Russe à coups de sabre.
5. Lo Cheng Koua-tan-tze a reconnu avoir tué à coups de bâton une Sœur de Charité.
6. Tcheou San a reconnu avoir tué à coups de bâton M. de Challemaison.
7. Tchang Li a reconnu avoir tué d'un coup d'épée M. de Challemaison.
8. Wei-lao a reconnu avoir tué d'un coup de barre de fermeture de porte un des Européens du Wang Hai-leou.
9. Ma Houng-leang a reconnu avoir tué d'un coup d'épée un des Européens du Wang Hai-leou.
10. Ou-ta a reconnu avoir tué d'un coup de coutelas une des Sœurs de Charité.
11. Toann-ta a reconnu avoir tué un Russe et avoir jeté son corps dans la rivière.
12. Fan Yung-teu a reconnu avoir tué d'un coup de planche un des employés de la Mission Catholique.
13. Leou-eul a arraché le sabre d'un Européen et l'en a tué.
14. Tchang-eul a reconnu avoir tué à coups de sabre une des personnes employées chez les Sœurs.
15. Tsoeui Tou-tze a reconnu avoir tué à coups de sabre une Sœur de Charité.
16. Tchang Kouo-Chouen, dit "la Tête de Mort," a reconnu avoir tué à coups de sabre une Européenne, et a ajouté avoir tué ensuite une dame Russe.
17. Siao-eul a reconnu avoir tué une Sœur de Charité.
18. Tcheng Ma-ly, d'après le témoignage de Leou-eul, Tsao-ta de la femme Kao-ou, a tué un Européen de la Mission Catholique.
19. Wang-leou, d'après les témoignages du préposé à la police, Wang Ting-y, de Leang Wen-tche, garde du Tribunal du Tche-hien, a tué des Sœurs de Charité à coups de lance.

20. Ko-san, d'après les témoignages de Li Wan-yeou, Li Wan-tcheng, du garde Tchao Chou-tang et autres, a tué des Sœurs de Charité à coups de gaffe.

Exilés pour Vol et Blessures (10 *ans*).

Wang-ou, dit "le Poinçon."
Yu-ki.
Pan-eul.
Mao-san.
Teng-lao a blessé d'un coup de bâton une personne employée chez les Sœurs.
Yang-eul.

Exilés pour Vol et Blessures (3 *ans*).

Nie Tchong-san.
Li-ta.
Souen-eul.
Li-ta.
Mou Tchao-ou.
Yang-eul.
Kouo-san.
Li-sse.
Wang-vou.
Tsouei-tchao.
Kou Tchang-ho.
Tong-sse.
Ma Tchang-chouen.
Chang-teu.
Leou Tou-kouei.
Teung-yong.
Souen-eul.
Koan-san.
Ho-sse.

(Translation.)

Condemned to Capital Punishment.

1. Feung, called "the Lame," has admitted having killed M. Fontanier with a thrust of a spear.

2. Leon-eul has admitted having killed the Abbé Chevrier with a blow of an iron-shod stick.

3. Kiang-ou has admitted having killed Russians with thrusts of a lance.

4. Kien-eul has admitted having killed a Russian with blows of a sword.

5. Lo-cheng Koua-tan-tze has admitted having killed a Sister of Charity with blows of a stick.

6. Tcheou San has admitted having killed M. de Challemaison with blows of a stick.

7. Tchang Li has admitted having killed M. de Challemaison with a sword cut.

8. Wei-lao has admitted having killed with a blow of an iron bar for fastening a door one of the Europeans of the Wang Hai-leou.

9. Ma Houng-leang has admitted having killed with a sword cut one of the Europeans of the Wang Hai-leou.

10. Ou-ta has admitted having killed with a blow of a cutlass one of the Sisters of Charity.

11. Toann-ta has has admitted having killed a Russian and thrown his body into the river.

12. Fan Yung-teu has admitted having killed with a blow of a plank one of the employés of the Catholic Mission.

13. Leou-eul tore away a sword from a European and killed him with it.

14. Tchang-eul has admitted having killed with blows of a sword one of the persons employed by the Sisters.

15. Tsoeui Tou-tze has admitted having killed a Sister of Charity with blows of a sword.

16. Tchang Kouo-chouen, called "the Death's Head," has admitted having killed a European woman with blows of a sword, and has added that he afterwards killed a Russian lady.

17. Siao-eul has admitted having killed a Sister of Charity.

18. Tcheng Ma-ly, according to the evidence of Leou-eul, Tsao-ta of the woman Kao-ou, killed a European of the Catholic Mission.

19. Wang-leou, according to the evidence of the overseer of the police, Wang Ting-y, of Leang Wen-tche, guard of the Tribunal of Tche-hien, killed some Sisters of Charity with thrusts of a lance.

20. Ko-san, according to the evidence of Li Wan-yeou, Li Wan-tcheng, of the guard Tchao Chou-tang and others, killed some Sisters of Charity with blows of a boat-hook.

Exiled for Robbery and inflicting Wounds (10 *years*).

Wang-ou, called "the Bodkin."
Yu-ki.
Pan-eul.
Mao-san.
Teng-lao wounded with a blow of a stick a person employed by the Sisters.
Yang-eul.

Exiled for Robbery aad Inflicting Wounds (3 *years*).

Nie Tchong-san.	Li-sse.	Chang-teu.
Li-ta.	Wang-vou.	Leou Tou-kouei.
Souen-eul.	Tsouei-tchao.	Teung-yong.
Li-ta.	Kou Tchang-ho.	Souen-eul.
Mou Tchao-ou.	Tong-sse.	Koan-san.
Yang-eul.	Ma Tchang-chouen.	Ho-sse.
Kouo-san.		

Inclosure 4 in No. 169.

The Prince of Kung to M. de Rochechouart.

(Traduction.) *Le* 18 *Octobre*, 1870.

J'AI eu l'honneur de recevoir de votre Excellence et relativement aux événements de Tien-tsin une dépêche exprimant l'indignation et la douleur qu'ils avaient produites. A cette pièce était jointe la liste des victimes.

La nouvelle de malheurs aussi inattendus fut pour nous une cause de bien grande affliction.

Voici bien des années que la Chine et la France sont en relation d'amitié, personne ne s'attendait à une pareille catastrophe. Encore maintenant nous en sommes couverts de confusion et émus.

Il a été décidé qu'il serait payé une somme de 25,000 taels à titre d'indemnité, que suivant les décisions du Ministère des Finances votre Excellence pourra toucher de l'Administration des Douanes du Kiang-nan et du Koang-tong pour repartir ensuite conformément au compte ci-annexé entre les familles du Consul Fontanier, des autres fonctonnaires, et des négociants. L'Eglise touchera ce qui lui revient.

Le 12 courant m'est parvenu votre dépêche m'informant que les pertes matérielles subies par les établissements religieux et autres montaient à la somme de 210,000 taels; le Hou-pou a déjà décidé que le versement de ce remboursement sera effectué par la douane maritime de Tien-tsin.

Tel est le but de la présente communication.

Répartition des Indemnités accordées.

	Taels.	Taels.
Le Consul Fontanier	30,000	
Le Chancelier S. Simon	20,000	
Le Chancelier J. et M. Thomassin	50,000	
M. de Challemaison, négociant	10,000	
M. de Challemaison	10,000	
		120,000
Pour l'Eglise	.	130,000
Total	.	250,000

(Translation.)

(Translation.) *October* 18, 1870.

I HAVE had the honour to receive from your Excellency, with reference to the events at Tien-tsin, a despatch expressing the indignation and pain which they had produced. To this document was appended a list of victims.

The news of misfortunes so unexpected was for us a cause of great affliction.

For many years China and France have been on friendly terms; no one expected such a catastrophe. Even now we are overwhelmed with confusion and sorrow.

It has been decided that a sum of 25,000 taels shall be paid as indemnity, which, in pursuance of the decisions of the Department of Finance, your Excellency will receive from the Administration of the Customs of Kiang-nan and Koang-Tong for subsequent division, in conformity with the appended account, among the families of the Consul Fontanier, of the other officials, and of the merchants. The Church will receive what is due to it.

On the 12th instant your despatch reached me, informing me that the material losses sustained by the religious establishments and others amounted to the sum of 210,000 taels. The Hou-pou has already decided that the payment of this reimbursement shall be made by the Maritime Customs of Tien-tsin.

Such is the object of the present communication.

Division of Indemnities granted.

	Taels.	Taels.
Consul Fontanier	30,000	
The Chancelier S. Simon	20,000	
The Chancelier J. and M. Thomassin	50,000	
M. le Challemaison, merchant	10,000	
M. de Challemaison	10,000	
		120,000
For the Church	..	130,000
Total	..	250,000

No. 170.

Mr. Wade to Earl Granville.—(*Received January* 19, 1871.)

(Extract.) *Peking, October* 27, 1870.

I HAVE the honour to inclose copy of a letter from Mr. Lay regarding the execution of the persons condemned for their alleged share in the Tien-tsin massacre.

Inclosure in No. 170.

Acting Consul Lay to Mr. Wade.

(Extract.) *Tien-tsin, October* 19, 1870.

I HAVE the honour to report that the senior officer of the French Navy here having expressed himself much averse to the sending of any one but a commissioned officer to witness the execution of the criminals now under sentence of death for the murders of the 21st of June, we, after consultation with each other, decided that it was best, in view of the importance of the affair, to depute one of the commanders of the French gun-boats stationed here and Mr. Interpreter Frater, to be present on the occasion.

The whole subject of the proceedings at the execution was then discussed at an interview between the Prefect and myself yesterday. He informed me that it was the desire of the Governor-General, as there was a possibility of a disturbance taking place among the already excited population, that the sentence of death should be carried into execution before sunrise to-day. The Prefect insisted on the necessity of the French officer and Mr. Frater proceeding to the spot during the night, and in small chairs, under a guard of fifty men which he would supply; and he hoped the attention of the crowd, which would be composed, notwithstanding the early hour, of weeping friends and relations and numerous ruffians, would not be attracted to them. I objected to these two officers proceeding in the undignified mode desired by him, and told him that I should not send any one to an execution that was to take place in the dark. He still maintained the necessity of putting the criminals to death at the time named; and, after some discussion, during which the Prefect gave me unmistakeable proof of excitement having shown itself to a large extent among the people for the last three or four days on account of the intended fate of these men, he did not conceal from me that the Governor-General was

afraid of serious disturbances. I said that I would send no one to the execution under the present proposed arrangements, but that I should leave the whole matter to be settled by the Governor-General as he pleased. I added, however, that I wished to have some proofs of the reality of the executions supplied to me. These the Prefect thought might be afforded by the spectacle of the coffined remains, and he invited me to send some one to inspect them after the execution was over. He also asked whether a formal despatch from the Acting Superintendent of Trade, announcing the fact of the decapitations having taken place would be received by me as evidence. This I consented to accept.

In the night time I sent one of the Consulate messengers to Tien-tsin, and instructed him to take note of what went on at the execution, and to bring back with him, if possible, the death-warrants attached to the bodies of the criminals, an inspection of which would furnish me with the names of the persons actually put to death. Mr. Frater gave the messenger his official card, to be used in the event of his being driven back by the police. The messenger made a greater use of it than was intended, for by means of it he made his way into the Chih Hsien's yamên before the criminals were brought out of jail, and saw the whole proceedings from that time till their death. He has reported to me that about 200 police and soldiers escorted them from the jail to the Chih Hsien's court-room, where they were marshalled, sixteen in all. None of them would kneel to be bound when ordered to do so. They were all dressed in what is everywhere stated to be a Government present, viz., new silk clothes, and wore on their feet shoes of elegant manufacture. Their hair was dressed after the female fashion in various modes, and ornaments such as those seen on the heads of Chinese ladies were stuck in their head-dresses. While in the court-room, one of them vociferated abuse of the Hsie-tai, who had probably caused his arrest to be made. On the way to the execution-ground, the criminals bawled out to the crowd, which even at that early time of the morning had collected, "Have we changed countenance?" and were immediately answered that they had not. They also accused the Chinese authorities of selling their heads to the foreigners, and called out to the people to honour them by the name of "brave boys," which was done by the united voices of the crowd. A large number of the personal friends and relatives of the condemned followed them along, giving vent to tears and lamentations. On the arrival of the procession at the execution-ground, outside the west gate, the criminals commenced singing, on hearing which the presiding magistrate, the Tien-tsin Hsien, gave the order for their decapitation. The criminals themselves stretched out their necks to receive the blow, and the executioners, all of whom were southern soldiers, soon finished the proceedings. This occurred at about 5·30 A.M. The ground was kept by numerous soldiers. The Consulate messenger was allowed to pick up the sixteen death-warrants, and to bring them away; and I now have them in my possession. The men who murdered the Russians were not, I believe, among those who suffered.

No. 171.

Mr. Wade to Earl Granville.—(*Received January* 19, 1871.)

My Lord, *Peking, October* 27, 1870.

I HAVE the honour to inclose translation of a despatch from the Prince of Kung purporting to be a reply to my note of the 10th instant, in which I requested an interview with his Highness. As I have earlier stated, I saw the Prince on the 12th, and on the following day sent in a memorandum of what had passed at the yamên.

I had said in my note of the 10th that, by the date of the telegram just arrived, your Lordship appeared to have received my despatches announcing the death of the Sister Louise and other details of the massacre. The Prince writes apparently to prevent any question being raised regarding indemnities, but I think, is desirous of implying that the Government of China has allowed a liberal compensation to the friends of the murdered, and that M. de Rochechouart is satisfied with its award.

M. de Rochechouart has accepted the money to be paid for the reconstruction of the Consulate, Cathedral, and religious establishments, and other moneys on like account; but the personal indemnities will be accepted or rejected, as the Government of France may decide upon the advent of the Minister Ch'ung Hou.

The Sister Louise was a British subject, but if the Government of France accepts the arrangement proposed on behalf of the other Sisters—two of them Belgians and one an Italian—I do not suppose that Her Majesty's Government will raise any separate issue upon this account.

However, I have left the decision open, as my reply will show to Her Majesty's

Government, and as the despatch of the Prince said nothing of the real object of my interview—the protection of British subjects at the northern ports—I took the opportunity of pressing this upon his Highness' attention.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure 1 in No. 171.

The Prince of Kung to Mr. Wade.

(Translation.)

THE Prince of Kung, &c., makes a communication to Mr. Wade, Her Britannic Majesty's Chargé d'Affaires, &c.

On the 10th of the 9th moon of the 9th year of T'ung Chih (10th October, 1870), the Prince received a note from Mr. Wade, expressing a hope that his Highness would inform him what was being done in the matter of Sister Louise, one of the persons massacred at Tien-tsin, whom Mr. Wade had early in the 6th moon discovered to be a British subject.*

In a list of the persons murdered of both sexes, which M. de Rochechouart inclosed to the Prince and the Ministers of the Yamên on the 4th of the 6th moon (July 2), there are mentioned one English Sister of Charity, two Belgian Sisters, and one Italian.

That in the sudden and disastrous† outbreak at Tien-tsin, the Sisters from England, Belgium, and Italy, should also‡ have fallen victims is most deplorable. The Government of China has for years been on terms of peace with the Government of England, and it is still disquieted to think that in a single day an event so unlooked for should have occurred. By an Imperial Decree the officials who mismanaged the affair have been condemned to certain penalties, and the murderers sentenced to punishment in different degrees of severity.

As indemnity (*lit.*, consolation money) on account of the Sisters—English, Belgian, and Italian—together with the officers and all other subjects of France, it has been proposed to allot a sum of 250,000 taels, to be provided by the Customs of Shanghae and Canton, in such proportions as the Board of Revenue shall appoint, and distributed among the families of the Sisters of each nation for their relief, according to the list furnished by M. de Rochechouart.

The Yamên has communicated this to M. de Rochechouart, and, as in duty bound, the Prince communicates it to Mr. Wade, &c.

T'ung Chih, 9th year, 9th moon, 24th day (October 18, 1870).

Inclosure 2 in No. 171.

Mr. Wade to the Prince of Kung.

Sir, *Peking, October* 19, 1870.

I HAVE the honour to acknowledge your Imperial Highness' despatch informing me of the propositions communicated to the Chargé d'Affaires of France regarding an indemnity to be paid the families of the Sisters of Charity murdered in the massacre of Tien-tsin.

It will be, of course, my duty to forward a translation of this despatch to Her Majesty's Government, and to acquaint your Imperial Highness with any instructions I may receive in reply.

But the special object of my visit to your Imperial Highness upon the 12th instant was to ascertain in what way it was intended to insure the security of Her Majesty's subjects at Tien-tsin and Newchwang during the winter. I have pointed out the particular kind of danger to which the latter port may possibly be exposed, and your Imperial Highness must excuse me if I press once more, and very earnestly, for a declaration of the measures your Imperial Highness regards as sufficient for its protection that I may be prepared to act accordingly.

I renew, &c.
(Signed) THOMAS FRANCIS WADE.

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* The Prince has taken the first and last words of Mr. Wade's note.
† *Lit.* a tumult (of the character of a revolt) was raised seriously and suddenly.
‡ Also, that is as well as the French.

No. 172.

Mr. Wade to Earl Granville.—(*Received January* 19, 1871.)

My Lord, *Peking, November* 1, 18

MR. SINCLAIR has forwarded me copy of a very friendly proclamation i Foo-chow by the officials charged with the conduct of business with foreigner instructions from the Governor-General Ying-kuei. I inclose a translation of the p

It is based upon the Imperial Decree of the 28th of June regarding the Ti affair. I consider its spirit friendly, from the evidence it contains of a desire on th of the Governor-General utterly to discredit these charges of kidnapping, &c., whic of late been used to excite the people against the Romanists.

I have, &c.

(Signed) THOMAS FRANCIS WAL

Inclosure in No. 172.

Proclamation issued by the Commissioners of Foreign Trade for the Province of Fuh-kie

(Translation.)

ON the 30th of August, 1870, the Commissioners had the honour to receive ins tions from Governor-General Ying in the following terms:—

The Governor-General had the honour to receive on the 28th of June, 187 following Imperial rescript.

(The Decree of the 28th June, transmitted in my despatch of 3rd July to the E Clarendon, is here quoted at length.)

The Governor-General, after giving the foregoing his respectful attention, dire the Commissioners to send orders to the subordinate officers in Formosa and the diff ports of the province to act, one and all, in conformity therewith. This has alread done; but, having ascertained that there are missions for the propagation of the Christi religion established at the Treaty ports of Foo-chow, Amoy, and Formosa, as well as the Prefectures of Chang-chow, Hsüan-hua, and Funing, and fearing that the foregoing Imperial Decree not having been made thoroughly known, the people might wickedly fabricate baseless stories, and so create disturbance; the Governor-General feels it his d to cause the Commissioners of Trade to issue stringent proclamations, and insist on th local authorities giving their utmost protection where needed, in order that Her Majesty most gracious desire that all should be treated with an equal degree of benevolence effectively carried out.

The Commissioners of Trade have accordingly, on the one hand, sent proclamation to be posted up in the different districts, ordering that the gentry and elders should b assembled and distinctly informed that merchants, missionaries, and Christian peopl every nationality who peaceably pursue their avocations, should, in conformity with th Imperial Decree, be invariably and at all times protected, in order that the good relation at present existing with foreign nations may be consolidated; and further, that the wicke fabrication of baseless stories and the fomentation of disturbances should not be permitte and, on the other hand, the Commissioners do hereby, as in duty bound, make known this Proclamation to all the gentry and people of all classes and denominations that th merchants, missionaries, and Christian people of every nationality who peaceably pursu their avocations, will, in conformity with the Imperial Decree, be at all times protected, order that the good relations at present existing with foreign nations may be consolidated and they are farther warned that the wicked fabrication of baseless stories and the fomen tation of disturbances will be treated as a grave crime.

Let all fear and obey. Do not oppose this special Proclamation.

T'ung Chih, 9th year, 8th moon, 12th day (7th September, 1870).

No. 173.

Mr. Wade to Earl Granville.—(*Received January* 19, 1871.)

My Lord, *Peking, November* 10, 1870.

I HAVE the honour to inclose copy of my reply to the Prince of Kung's despatch forwarding me the General Proclamation of which translation was inclosed to you Lordship in my despatch of the 26th of October.

I have, &c.

(Signed) THOMAS FRANCIS WADE.

Inclosure in No. 173.

Mr. Wade to the Prince of Kung.

Peking, October 31, 1870.

I HAVE the honour to acknowledge your Imperial Highness' despatch of the instant, inclosing copy of a public notice drawn up by the Yamên for circulation ughout the Empire, the object of which is to prevent a repetition of such catastrophes ne Tien-tsin massacre.

I shall only take upon myself to observe that, if the Provincial Government exert selves in earnest to insure the circulation of the notice in question, and through their rdinates strive to induce the gentry and people to comport themselves towards gners in accordance with its conjunctions, it can hardly fail to be productive of conse- ces important to the cause of peace I have directed Her Majesty's Consul at nghae to have the notice printed both in English and Chinese in the local paper, and ransmit copies of it when printed to the rest of Her Majesty's Consuls in China for the urance of their respective communities.

Your Imperial Highness observes that the proceedings in the Tien-tsin case are now ed. I have to state that translations of the notice and of the despatch inclosing it have n forwarded by me to Earl Granville for the information of Her Majesty's Government. whole history of the Tien-tsin case is now before the Government, and it will be my , as soon as I shall have received instructions regarding it, to communicate them to r Imperial Highness.

I renew, &c.
(Signed) THOMAS FRANCIS WADE.

No. 174.

Mr. Wade to Earl Granville.—(Received January 19, 1871.)

Lord, *Peking, November* 11, 1870.

I HAVE the honour to forward copy of a despatch from Mr. Robertson, inclosing of correspondence between himself and certain members of the Canton community, rding their security at that port, and a letter he has consequently addressed to the g Kong Government.

The demolition of a chapel at Fatshan I have already reported to your Lordship. It t be remembered that the chapel was a Chinese chapel, at the opening of which some stant missionaries, with more zeal than prudence, assisted. The attack on it oubtedly discovered an anti-propagandist feeling, but it was followed by no demon- ion against the foreign community, and, by order of the Governor-General, the nstruction of the building was immediately commenced.

Mr. Robertson, in his reply, has shown the discretion and firmness which on all such sions distinguish him, and I cannot doubt that his conduct will be approved by your lship.

I inclose copy of my reply to Mr. Robertson.

I have, &c.
(Signed) THOMAS FRANCIS WADE.

Inclosure 1 in No. 174.

Consul Robertson to Mr. Wade.

Canton, October 11, 1870.

I HAVE the honour to forward copy of a letter I received from certain of the British nts at this port respecting fears for the safety of their lives and property, and my

I also deemed it expedient to inform the Hong Kong Government of the state of s at this port, as so many untrue reports appear in the papers and private commu- tions that it is well to furnish a fair statement of the actual situation, seeing the close ection there is between Canton and Hong Kong, and the probability of the action of ople of the one affecting that of the other.

I am under no apprehension of an outbreak; the Viceroy assures me he does not

anticipate one; and, at all events, he and the other authorities are prepared to act a[illegible] protection to foreigners.

I have, &c.
(Signed) D. B. ROBERTSON.

Inclosure 2 in No. 174.

Messrs. Coare, Gifford, and others to Consul Robertson.

Sir, *Canton, October* 3, 1870

WE, the undersigned members of the foreign community at Canton, would request your earnest attention to the precarious position in which our lives and property are placed at the present moment. We cannot conceal from ourselves the growing animosity towards foreigners, which, since the atrocious outrage at Tien-tsin, is daily manifesting itself in an increasing degree.

To show that our apprehensions are not ill-founded, we need only refer to the late outbreak at Fatshan, followed by overt acts of menace and assault in and around Canton, the daily petty insults to which we have to submit in the city and neighbourhood, and even the ill-concealed change which in some cases appears in the demeanour of our own servants.

Those among the community most qualified by long residence and close intimacy with the native manners and language, observe that the people are daily assuming a more insulting and defiant attitude towards foreigners. So firmly has this impressed itself on the minds of some, that they are already making preparations for the removal of their families to a safer locality. In view of this state of affairs, we would respectfully ask you what steps you have taken, or are proposing to take, in order to render our lives and property secure, until Her Majesty's Government, with the other European Powers concerned, shall have concluded such arrangements with China as shall restore confidence to the minds of your petitioners.

With this hope we trust that you will give the matter that earnest attention which the urgency of the case demands.

We are, &c.
(Signed) F. W. COARE.
P. GIFFORD.
G. M. SMITH.
J. POPE.
A. M. GIPP.
T. MERCER.
W. GIBSON.
E. L. H. CRACE.

Inclosure 3 in No. 174.

Consul Robertson to Messrs. Coare, Gifford, and others.

Gentlemen, *Canton, October* 5, 1870

I HAVE to acknowledge the receipt of your letter of the 3rd instant, calling my attention to the unsatisfactory state of affairs at this port as regards the safety of yourselves and your property, owing to the growing animosity towards foreigners on the part of the Chinese population, and requesting me to state what steps I have taken, or am preparing to take, in order to render your lives and property secure, until Her Majesty's Government, with the other European Powers concerned, shall conclude such arrangements with China as will restore confidence to your minds.

I fully understand and appreciate the motives which induce you to address me, but I must observe I consider the fears which you express for your safety are somewhat groundless. The information I have received leads me to believe that no act of hostility is intended by the Chinese; but, after the occurrences at Tien-tsin, and lately at Fat-shan, there is consequently a great deal of talk and many rumours afloat of an objectionable nature. You are aware that I daily traverse the busiest parts of the city, and, if any hostile demonstration was shown, I should see it; but I confess I have met with nothing of the kind, notwithstanding the streets are unusually crowded owing to the public examinations now going on.

I may mention, however, I have been in communication with the Chinese Authorities regarding the protection that could be afforded in the event of a disturbance occurring, and have been assured by them that they do not anticipate anything of the kind, and are prepared to keep order among the people. Indeed, it was only this afternoon, previous to the receipt of your letter, I was in conference on the subject, and urged the immediate issue of a Proclamation, which was promised. My own view is, and has always been, that the less notice taken of these reports, and the less action taken with reference to them, the better: for if the Chinese think we are getting nervous, it will be an inducement to them, either in a spirit of mischief or perhaps worse, to rush into that state of turbulence which is to be avoided.

I will, however, take your communication into my best and most serious consideration, and you may rest assured that nothing will be wanting on my part to afford you all the security in my power; at the same time, on yours, I think it would be well not to give too much heed, or apparently so at least, to the rumours which the Chinese are ever ready to circulate, no matter on what subject.

I am, &c.
(Signed) D. B. ROBERTSON.

Inclosure 4 in No. 174.

Consul Robertson to Mr. Austin.

Sir, *Canton, October 6, 1879.*

SINCE the lamentable occurrence at Tien-tsin on the 21st June last, I have seen no reason to believe that the ill-feeling which promoted that affair would extend to Canton, I did not, therefore, deem it necessary to communicate with his Excellency the Lieutenant-Governor upon the subject, although, from the immediate and close connection that exists between the Colony of Hong Kong and these provinces and city, owing to the large population which surges between them, and other causes, I have been fully alive to the importance of keeping his Excellency *en rapport* with matters of any consequence occurring here. The time having in my opinion arrived, I have the honour to inclose copy of a letter I received yesterday from some of the principal British merchants, and my reply, for his Excellency's information.

I confess I do not share in the alarm expressed in the communication, for I have seen and can learn nothing definite regarding the rumours which have influenced the writers to address me. That there is a strong and inimical feeling against missionaries and their labours there can be no doubt: indeed, it was evidenced lately by the destruction of a newly erected chapel at Fatshan, a town some sixteen miles distant from Canton, but that it extends to the mercantile community I do not believe. My own impression is that, in a vast population like that here, there is necessarily a rowdy element ready for any mischief, and it is with that these evil rumours originate and get spread abroad. My relations with the high authorities are friendly in the extreme, and I am assured by them all necessary precautions will be and are taken for the protection of foreigners and their property.

Nevertheless, experience of Chinese governmental action does not lead me to rely implicitly upon it, however good the intention may be, nor is it safe to ignore, as idle and unmeaning, reports in general circulation. My own view of the matter, and I have impressed it strongly upon the British community, is to make no unnecessary display of alarm, but to go on as if nothing out of the usual course of events was occurring. It is difficult, however, to get people to follow such advice when they imagine, rightly or wrongly, they are surrounded with dangers, hence I presume the letter of the 3rd instant.

I do no more at present than bring the existing situation to the knowledge of his Excellency the Lieutenant-Governor, deeming it my duty to do so, for the considerations above-mentioned, and in view of the influence any turbulent rising of the population at Canton may have on that of Hong Kong, and the possibility of my requiring support, but I hope and expect we shall tide over the present crisis without difficulty; should, however, matters assume, contrary to my expectations, a more serious aspect, I shall at once communicate it to his Excellency.

I have, &c.
(Signed) D. B. ROBERTSON.

Inclosure 5 in No. 174.

Mr. Wade to Consul Robertson.

Sir, *Peking, November* 11, 187

I BEG to acknowledge your despatch of the 11th ultimo, which reached this on the 8th instant.

I entirely approve of the answer you returned to Mr. Chase and the other British residents who addressed you on the 3rd October.

From what I observed here during the first six weeks succeeding the catastrophe of the 21st June, I agree with you in attributing such disquiet as may have been noticed in great part to the assembling of the literati for their examinations, also in your belief that the symptoms of disquiet from any cause have been exaggerated. There is quite enough in late events to put people upon their guard. Foreigners cannot be too careful to avoid giving offence, but it is equally their duty to themselves to avoid all appearance of alarm. Their servants and employés of course sympathize rather with their fellow-countrymen than with them. It gratifies them to see the foreigner alarmed by the acts of the Chinese, and there can be no more dangerous encouragement to the ill-disposed among the latter than the belief, so soon spread, that the alarm of the foreigners has been excited.

I approve of your despatch to the Hong Kong Government

Your, &c.

(Signed) THOMAS FRANCIS WADE

No. 175.

Earl Granville to Mr. Wade.

Sir, *Foreign Office, January* 24, 1871.

I HAVE received your despatch of the 25th of October, with its inclosure respecting the destruction of a Protestant Chapel at Fatshan, near Canton; and I have to acquaint you, in reply, that Her Majesty's Government approve Mr. Consul Robertson's proceedings in the matter, as reported by you.

I am, &c.

(Signed) GRANVILLE

No. 176.

Earl Granville to Mr. Wade.

Sir, *Foreign Office, January* 24, 1871.

I HAVE received your despatches of the 26th and 30th of October last; and in reply, I have to acquaint you that Her Majesty's Government approve the Circular you addressed to Her Majesty's Consular officers in China respecting the protection to be afforded to British subjects by Her Majesty's naval forces.

I am, &c.

(Signed) GRANVILLE

No. 177.

Earl Granville to Mr. Wade.

Sir, *Foreign Office, January* 26, 1871.

I HAVE received your despatch of the 11th of November, inclosing copy of one from Mr. Robertson with the correspondence that had passed between him and certain members of the Canton community in regard to their security: and, in reply, I have to acquaint you that Her Majesty's Government approve Mr. Robertson's proceedings as well as the note he addressed to the Government of Hong Kong upon this matter.

I am, &c.

(Signed) GRANVILLE

No. 178.

Earl Granville to Mr. Wade.

Sir, *Foreign Office, January* 26, 1871.

I HAVE received your despatch of the 10th of November, inclosing a copy of your reply to the note you received from Prince Kung, inclosing a copy of the Proclamation issued by the Chinese Government for circulation throughout the Empire, with a view to prevent a repetition of catastrophes such as the massacre at Tien-tsin; and, in reply, I have to refer you to my despatch of the 29th ultimo, expressing the dissatisfaction of Her Majesty's Government at the tardy reparation offered by the Chinese Government for that massacre.

I am, &c.
(Signed) GRANVILLE.

No. 179.

Earl Granville to Mr. Wade.

Sir, *Foreign Office, January* 27, 1871.

THE full accounts which have been received from you of the lamentable massacre at Tien-tsin and of the subsequent state of affairs in China, have enabled Her Majesty's Government thoroughly to appreciate the gravity of the situation, and the exceptional difficulties of your position as Her Majesty's Chargé d'Affaires during such a crisis in the relations between China and foreign Powers.

I have now, therefore, the greatest satisfaction in informing you of the entire approval by Her Majesty's Government of the tact and discretion which have marked your proceedings, and of your efforts to allay the apprehensions and secure the safety of the British community in China, as well as to impress upon the Chinese Government the necessity of such a strict observance of their Treaty engagements as may insure the future maintenance of the friendly intercourse with other countries in which the political and commercial interests of the Empire are so greatly concerned.

I am, &c.
(Signed) GRANVILLE.

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